THE CASE FOR MUNICIPAL DRINK

EDWARD R. PEASE

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MUNICIPAL DRINK TRADE

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BY

EDWARD R. PEASE

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CONTENTS

CHAP. PAGE

INTRODUCTORY NOTE 1

I. THE NEED FOR REFORM 5

England when Licensing was established—England Now—The Criteria of Licensing—The Law Permits Excess—Inadequate Police Supervision—Otherwise Good—It does not win Popular Confidence—It does not encourage Moderation—Monopoly Profits for the State

II. ALTERNATIVES TO MUNICIPALISATION — HIGH LICENCE 19

The Five Forms of the Liquor Trade—Free Trade—High Licence—Verdict on High Licence

I. ALTERNATIVES (*continued*)—LOCAL VETO . . 29

The Case for Local Veto—Local Veto and Prohibition—The Arguments for Local Option—The Right of Control—How Veto would Work—In East-End Wards—In Artisan Suburbs—In West-End Wards—In Rural Districts—Veto in Towns—Local Option for Rural Districts—The Rights of a Majority—The Law which failed—Prohibition—The Failure of Local Veto—British Law-Breakers—Our Rulers Object to It—The American and Colonial Rulers—Teetotalers in Politics—An Antiquated Philosophy—Summing-up against Veto

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CHAP. PAGE

IV. LEGISLATION AND CONSUMPTION 61

Gravity and Beer — The Law of Beer-Drinking—Beer-Drinking likely to increase—Stationary Consumption of Spirits—Beer as a Temperance Beverage—Spirits, Prohibition and Drunkenness

V. STATE MANAGEMENT ABROAD 76

The Argument from other Nations—Norway and Sweden—The South Carolina State Dispensaries—Russia —The Swiss Spirit Monopoly—The Transvaal

VI. PUBLIC MANAGEMENT IN GREAT BRITAIN . . 94

The Scotch Public House Societies—The People's Refreshment House Association—The Public House Trust Companies

VII. THE CASE FOR MUNICIPALISATION 102

It fulfils the Objects and Qualifications of the Law—Popular Control of the Trade—Perpendicular Drinking—Humanising the Public House—Municipalisation and the Drink Bill—Good Liquor—Municipalisation and the Rates—The Political Power of the Trade—Municipalisation Acceptable to All—The Political Argument

VIII. PROBLEMS IN MUNICIPAL MANAGEMENT . . 133

Municipal Option—Municipal Monopoly and Competition—What Municipal Success is—Pooling the Profits—Counter Attractions—No Local Veto or Free Trade—Compensation—Municipal Corruption

IX. AN OUTLINE SCHEME AND THE CONCLUSION . 154

South African Simplicity—The Municipalising Authority—Other Reforms—The True Temperance Policy

BIBLIOGRAPHICAL NOTE 159

INDEX 163

THE CASE FOR
MUNICIPAL DRINK TRADE

INTRODUCTORY NOTE

THE somewhat controversial tone of this volume is due to the fact that it was written for the "Pro and Con" Series, now unfortunately suspended. Certain modifications have been made, but a complete revision was impossible.

Only a few years ago students of the Liquor Problem were wont to complain that temperance reformers disregarded facts, and had no accurate knowledge of the experiments which have been tried so abundantly in America and elsewhere. Hardly any book existed which treated of the licensing systems of the world or contained political data systematically arranged.

But Messrs. Rowntree and Sherwell, authors of "The Temperance Problem and Social Reform," and other volumes, have effected a reform which has since perhaps gone to an extreme. Their admirable works are treasure-houses of quotations and statistics: they set out

detailed calculations of the profit on an estimated consumption of liquor, and the uses to which it could be devoted, with all the enthusiasm of an "expert" forecasting dividends for the prospectus of a Jungle Gold Mine. Opponents have attempted to reply with rival figures and opposition quotations, which again have led to crushing rejoinders, also highly statistical and quotational, from Messrs. Rowntree and Sherwell. Other recent writers have adopted the same positive method, and altogether the reading public has been bombarded with figures enough to last a lifetime.

In this volume we shall be compelled to quote facts and figures, but we shall aim at moderation in their use. At best they are not conclusive. What has happened in Gothenburg or Bergen, in Portland (Maine) or in South Carolina, need not necessarily also happen in Leeds and Newcastle and Bristol. The historical method may be carried too far, although it is infinitely preferable, even in excess, to the absence of any scientific method at all.

We must also say frankly that we cannot pretend to compete, in the matter of statistical knowledge, with Messrs. Rowntree and Sherwell. They have devoted years of research and months of personal inquiry and topical investigation to the preparation of their great work and the supplementary volumes they have since issued. Their writings, indeed, are for the student of the liquor problem already classics,

much as is the lexicon of Dean Liddell and Dr. Scott for the Greek scholar. He would never dream of referring to the authors of that volume in any other style than "Liddell and Scott," and in the same way, for the sake of brevity and euphony, we shall venture to employ the phrase "Rowntree and Sherwell," and in our notes even to abbreviate it to "R. and S."

We approach our subject as politicians, and must trust in the main to data provided for us by others. Moreover, like nearly all other temperance reformers, with the notable exception of Dr. Arthur Shadwell, we cannot profess to an intimate personal acquaintance with public-houses, or even with the use of alcohol. Habits of many years' standing are not easily broken down; the time at our disposal has not permitted us to make a first-hand study of public-house interiors, or to become expert in the use of beer and spirits.

The line of our argument is this :—

We shall first show that the present system of licensing does not stand the tests of efficiency which we lay down, and that therefore some drastic reform is called for.

Only three general methods have been suggested :—

High licence, which, with much to recommend it, is incomplete and politically impracticable.

Local Veto, which we shall prove to be entirely wrong in principle and likely to be altogether futile in practice.

The third, municipalisation, by a process of exhaustion, is the only method left.

We shall show that this plan fully meets all the tests of efficiency which we apply, that its immediate and obvious advantages are great, and its political prospects bright, whilst its dangers and difficulties are only such as are inevitable in any drastic reconstruction of an institution so closely bound up with everyday life, and so intimately connected with two almost universal passions, the desire for wealth and for stimulants, as is the Drink Trade.

CHAPTER I

THE NEED FOR REFORM

England when Licensing was established—England now—The Criteria of Licensing—The Law permits Excess—Inadequate Police Supervision—Otherwise good—It does not win Popular Confidence—It does not encourage Moderation—Monopoly Profits for the State

ENGLAND WHEN LICENSING WAS ESTABLISHED

In the days of King Edward VI. England was inhabited by a nation of peasants, dwelling in hamlets scattered amidst forest and marsh and moor. At long intervals small market towns were to be found, and the cities, with an urban population of artisans and merchants, could be counted on the fingers.

This people, just awakening to the self-consciousness of the Reformation, and to the national life of the Elizabethan era, was mainly ruled by customary law. The central authority in rural districts was chiefly represented by the Justices of the Peace, and in corporate towns

the Justices, elected by the Burgesses, were among the chief civic authorities.

When, therefore, it seemed good to Parliament to deal with the liquor traffic, it was natural that the justices, who already had power to suppress ale-houses, should be appointed to license the inns and taverns of the day, and by the 6th of Edward VI., cap. 25, it was provided that one or two justices should "take bond and surety from time to time of such as shall be admitted and allowed hereafter to keep any common ale-house or tippling-house as well as for and against the using of unlawful games as also for the using and maintenance of good order to be had and used within the same as shall be thought necessary and convenient." The licence thus granted was to be recorded at the next quarter sessions, and the fee for it was twelve pence. Persons who had done acts whereby they had forfeited their recognisances were to be dealt with; and any person selling without a licence was to be put in gaol for three days without bail, and then to give recognisances with two sureties not to offend again. Free selling was allowed at fairs.

Here then we have the outline of the licensing system exactly as it exists to-day. Later legislation has merely amplified the general principle thus laid down; in form, of course, the Act has been repealed: in substance it remains the law of the land to this day.

ENGLAND NOW

England of King Edward VII. is a very different place. The population has grown from four millions to over thirty-two millions; its density has increased from 68 to 558 per square mile. Whole counties are now in law and in fact mainly urban districts. Agriculture is the business of a small minority; the bulk of the people live in big towns, or industrial villages, and work in factories and mines, or in the varied occupations of the cities.

Yet the Liquor Licensing Law of Edward VI. is in its essentials still the law of the land. So happy was the inspiration of the men who drafted the first Licensing Act that it has served its purpose through three and a half centuries of unexampled growth and change, and only in recent decades has it been found wanting.

Now, however, by almost universal consent, the existing licensing system is out of date. It was established, as the Act of Edward VI. says, to allay "the intolerable hurts and troubles to the commonwealth of this realm caused through such abuses and disorders as are had in common ale-houses"; but now the law itself promotes these intolerable hurts, and has created new ones, necessarily unforeseen by Tudor law-makers.

THE CRITERIA OF LICENSING

Let us first consider what are the objects of the Licensing Law, and what conditions it must fulfil in order to merit our approval.

The purposes of the law are :—

(1) To prevent excessive consumption of liquor.

(2) To secure adequate police supervision of public-houses, due enforcement of rules as to closing, &c., and the prevention of drunkenness and disorder.

(3) To raise a revenue for public purposes.

(4) To prevent the sale of untaxed liquor.

(5) To prevent adulteration.

A good Licensing Law must attain these ends, and in addition :—

(1) It should win popular confidence by responding, within limits, to popular control.

(2) It should directly encourage moderation in every possible way.

(3) It should secure to the State the whole of the special profits which the regulation of the trade creates.

(4) Finally, it must not only be desired by a majority of the people, but must also be acquiesced in by practically all classes closely concerned in it.

The demand for a reform of the Licensing Law is based on the fact that the existing law does not properly fulfil two of the five purposes

named above, and does not possess any of the qualifications of a good law.

The case against the existing system is as follows:—

THE LAW PERMITS EXCESS

That it does *not* prevent excessive consumption of liquor. No doubt it is better than no licensing system at all. Free trade in alcohol is out of the question. But excess in consumption of drink is admittedly prevalent. Too large a proportion of the income of the working classes is spent on what at best is a poor form of luxury, yielding doubtful gains to physical, and none at all to intellectual, artistic, or moral development, whilst at worst it is a terrible physical and social poison, destructive of health, character, social prosperity, and family happiness.

This national and individual excess in consumption of liquor, due in part to the over-licensing of some districts, is not only permitted by the existing system, but is directly promoted by some parts of it. The trade, both wholesale and retail, is left in the hands of private undertakers (if we may use the word in a sense sanctioned by leading economists, and by recent Acts of Parliament), whose interest it is to increase their business. All the persons connected with the trade are concerned to promote the use of the wares they sell, in order to add to the

profits of their business. They discourage individual excess, no doubt, both for better reasons and because licence-holders who permit drunkenness get into trouble. But no one can deny that the brewer, the distiller, the manager of the tied and the licensee of the free house, all endeavour to extend their trade—that is, to increase the already too great consumption of liquor.

On this count, therefore, the present system stands condemned. It does something, but by no means enough, to mitigate those "intolerable hurts and troubles to the commonwealth of this realm," for whose prevention it was established just three and a half centuries ago.

INADEQUATE POLICE SUPERVISION

That it does not secure adequate police supervision.

On this head the administration rather than the letter of the law is to blame, except in the case of the privileged beer-houses, whose licences can only be refused on statutory grounds. However, the fact remains that the slum regions of all large towns are crowded with small public-houses, the haunts of thieves and prostitutes, the meeting-places for the criminal classes, where all sorts of mischief is concocted, and all kinds of anti-social habits encouraged. These low public-houses are permitted by the law, and the law by their mere existence stands condemned.

OTHERWISE GOOD

The other three objects of the law are on the whole attained: a revenue is raised by the excise licences; no untaxed liquor is sold; and adulteration by noxious ingredients is exceptional.*

But when we turn to the requisites of a good licensing system we find the present law altogether unsatisfactory.

IT DOES NOT WIN POPULAR CONFIDENCE

It does not receive popular confidence because its administration is entirely outside popular control.

The sphere of representative government has been vastly widened during the past twenty years. By the creation of County Councils, an elected authority was substituted for the justices throughout England and Wales. Then properly organised parish meetings and councils replaced the impotent annual vestry meetings. In Scotland and Ireland local government has

* Water and sugar were the only adulterants discovered in 1902 in 5013 samples of beer analysed on behalf of the Government ("National Temperance League Annual, 1903," p. 58). The Report of the Royal Commission states positively that adulteration of a hurtful character both in beer and spirits is "practically non-existent" (p. 23).

been reformed on similar lines, whilst in London the simplification of the electoral machinery and the readjustment of areas, in addition to the creation of the London County Council, have given the citizens adequate control over their affairs, and a sense of corporate life which has been wanting for centuries. Finally, the Education Acts of 1902 and 1903 have placed in the hands of the Town and County Councils the control of a truly national system of education throughout England and Wales.

In all that concerns his daily life the English citizen is now his own master, acting through his elected representatives, save only in the matter of the sale of intoxicants. Yet this one exception is deemed by a large section to be of first-rate importance. Hundreds of thousands of persons are bound together in voluntary societies whose object it is to give effect to a policy on this subject. It is a matter which touches, more or less closely, the daily life of the majority of the people. Its administration can be and is affected by changes of policy in the administrators ; but these changes are made, not in response to the desires of the electorate, but in accordance with the personal opinions of the justices, a body of men appointed in the main for other duties, and selected, perhaps we should say co-opted, usually because they are the happy possessors of large landed estates, or because they have been successful in their private businesses. There are, no doubt, a few

exceptions to this general statement. Some trade union secretaries have been made J.P.s of late years, and the chairmen of County and District Councils become justices *ex officio.* But these classes are but an insignificant fraction of the whole.

The claim of the teetotal party that the people have a "right" to control the drink traffic is in our opinion perfectly valid, though the control we contemplate is wholly different from that which the teetotalers demand. Certain it is that the law as at present administered by an irresponsible authority does not win popular confidence, because it is beyond popular control. The justices, who administer it in accordance with their own sense of the fitness of things, generally jog along on ancient and well-trodden paths, making little effort to remedy old abuses, but very seldom permitting new ones. Occasionally they strike out in new directions, to the astonishment of all concerned, when they are apt to be pulled up by the judges, or else scolded by the Premier of the day and threatened with new legislation to keep them in order.

Governments, both Liberal and Conservative, have in years gone by tried and failed to remove this strange anomaly.

The Local Government Bill of 1888, which created County Councils, proposed to make the councillors the licensing authorities in rural districts and the Town Councils in the towns.

But the clauses had to be withdrawn, owing to Liberal opposition. Sir William Harcourt's Local Veto Bill was another attempt to disestablish the justices, but it failed, at any rate nominally, because Sir Henry Campbell-Bannerman had not stocked sufficient cordite to satisfy the Opposition.

The last Royal Commission unanimously recommended that Town and County Councils should be empowered to appoint a substantial proportion of the licensing authority for each district, and this may be taken as evidence that no large section seriously defends a system which permits nominees of the Crown to manage an essential part of local government.

If the justices had made more mistakes in their licensing duties, if they had exercised more thought, if they had reformed more vigorously, if they had caused more scandals, if, in a word, they had done anything else than jog along respectably on the beaten track, they would have been disestablished long ago. They themselves probably care little for work which is troublesome and wholly inglorious. They would not object to relinquishing their licensing duties, but no other authority is particularly anxious to take them over. Town and County Councillors are in no hurry to add a new danger to the security of their seats, and a fresh subject for election hecklers. Everybody admits that our system is unsatisfactory; but the difficulties in the way of a change are great, and so

the law of King Edward VI. still holds the field.

But it fails to secure the confidence of the people, and for this failure it must be condemned.

IT DOES NOT ENCOURAGE MODERATION

The second essential of a good licensing system is that it should encourage moderation in every possible way. We have already shown that the existing law fails to prevent the excessive consumption of liquor, because in certain places it permits licensed premises to be far too numerous. We contend that a good system should aim at something more than a mere negation. It should be designed on the plan of a compensating pendulum, carefully adjusted to the needs of each locality and the weaknesses of every class. In some districts and amongst some classes excess in drink is admittedly a constant and terrible evil. A good licensing system would take account of this fact. It might, for example, provide for any such locality a large, light, clean, airy, well-staffed, and highly respectable public-house, with a first-rate manager, under instructions to obey the utmost letter and the fullest spirit of the law. Every effort might be made to discourage the incidental vices of public-house life. The slum-dweller must have his liquor, but there is no reason why the State should not see

that he is given a lesson in decency and comfort every time he takes his glass.

We shall return to this point later on. Meanwhile it can be stated without fear of contradiction that the present licensing system does nothing in the way of positively encouraging temperance. It provides no antidote to the evils which of necessity it permits. On this count it must plead guilty: it is not a good licensing system.

MONOPOLY PROFITS FOR THE STATE

The third qualification of a good licensing system is that it should secure to the State the whole of the special profits which the regulation of the trade creates.

On this count our present system fails utterly. The profits of the drink trade, wholesale and retail, notwithstanding the heavy duties already paid to the State, are enormous, and in so far as they exceed the ordinary profits of other like industries, it may be said with certainty that the whole of the excess is due to the monopoly created by law, and therefore in equity belongs to the makers of the law, that is, to the people.

There is nothing inherently profitable in the manufacture and sale of drink as drink. Tea and coffee and lemonade are also drinks: they are sold, wholesale and retail, in enormous quantities. Some coffee-shops yield big profits and others small. A few tea merchants are rich men, and

even get into the House of Commons. But we may search the House of Lords long and diligently without finding a Lemonade Baron or a Cocoa Earl, whilst the number of Beer Lords is notorious.

Fortunes would be made in tobacco or bread or meat, or any other commodity in general demand, if the law constituted it a strict monopoly, allowed only a limited number of licensed retailers, and so arranged matters that the wholesale dealers could secure hundreds of tied bakeries or tobacco-shops and thus defy competition.

The facts that prove the magnitude of public-house profits are so well known, and are to be found so fully set forth by Rowntree and Sherwell and in the Royal Commission Report, that we shall not repeat them here. Any one who doubts these specialists can find their view confirmed by Mr. Charles Booth in the final volume of his "Life and Labour of the People in London,"* and his authority few would care to dispute.

In several Continental countries the licence to retail intoxicants is granted for a nominal fee to all comers, and means no more than our licence to sell tobacco. Where there is no monopoly there are no exceptional profits, and the average retailer of liquor is no richer than the butcher or the baker. A recent Belgian ordinance under the law of 1900, which grants old-age

* Pp. 97, *et seq.*

pensions to persons over 65 whose total incomes do not exceed £14 8*s.* 0*d.*, provides that licensed victuallers shall be assumed to make more than this income, that is more than 5*s.* 6*d.* a week, unless they prove the contrary. The law therefore contemplates licensees whose profits are so small that they may require to claim the somewhat trivial old-age pension of £2 12*s.* per annum which Belgium offers to the aged poor.

Our present law which creates enormous profits by means of a close monopoly and confers them on private persons, instead of reserving them for public purposes, is clearly bad.

The present licensing system therefore fails adequately to fulfil the purposes for which it was enacted. It possesses none of the three chief qualifications of a good law, whilst the fourth, the acquiescence of all sections of the people, belongs to it merely by the right of antiquity. That which has existed for centuries is regarded as the established order: the conservative majority necessarily accepts it, whilst the minority merely seeks to change it by political methods.

CHAPTER II

ALTERNATIVES TO MUNICIPALISATION—HIGH LICENCE

The five Forms of Liquor Trade—Free Trade—High Licence—A Verdict on High Licence

THE FIVE FORMS OF THE LIQUOR TRADE

If then the cogency of our argument be admitted, that our licensing system is too antiquated for modern social conditions, and that it fails to pass the tests by which we try it, the conclusion seems to be plain that mere tinkering alterations are not enough, that we want a new licensing system suited to the needs of the twentieth century, designed in the light of the latest discoveries of political science, and adapted to play its part in the struggle for national efficiency.

Happily the choice before us is a fairly large one. Schemes in plenty have been devised during the past half-century. The fifty American States devote no inconsiderable share of their legislative activities to passing liquor laws,

sometimes for each separate hamlet within their borders; they have thus tried nearly every method which the fertile wits of their politicians could devise, and, we may add, they have generally found their plans wanting in success for the desired end.

Our Colonies have been much less inventive, but their experiences yield some results of interest. Years ago Scandinavia made a bold experiment which was crowned with remarkable success. More recently Russia and Switzerland have entered the field. And finally the youngest of communities, the Transvaal Colony, has adopted a municipalisation law, which is in advance on anything elsewhere reached, and which might well be adapted for use at home.

The methods of dealing with the liquor traffic can all be roughly grouped under five heads :—

(1) Free Trade: licences granted for a small fee to all comers.

(2) Private Monopoly: our own system: licences, closely limited in number, granted for a fee disproportionate to their value.

(3) High Licence: that is, licences granted for a fee proportionate to their value.

(4) Local Veto and Prohibition: usually an alternative to licences, dependent on a popular vote.

(5) State or public management.

FREE TRADE

This prevails, in fact, though not in form, amongst Continental nations of the Celtic stock, and in Germany. According to some recent theories the more southern of these peoples have attained through centuries of suffering to a happy immunity from the curse of drunkenness, and the problem of the Drink Trade concerns them no longer.* But in Northern France and in Belgium the results of Free Trade are now a matter of grave public concern.

As, however, no British party is mad enough to advocate Free Trade in liquor, we need not further discuss it here.

Our choice of reforms is, therefore, limited to three systems, High Licence, Local Veto, and State Management. We could, indeed, form any combination of these, all three at once, or any two together or one at a time. But there is nothing else. Unless we reform our licensing system out of existence altogether by National Prohibition, which is no doubt the ideal of not a few teetotalers, we must adopt one or more of these plans.

The next step in our argument is, therefore, to consider the merits of High Licence and Local Veto. If they do not come up to our

* See "Alcoholism: a Study in Heredity." By Archdale Reid, M.B. Unwin. 1901.

standard of excellence, State management in one or other of its many forms is our only resource.

HIGH LICENCE

The neglect of High Licence by the Liberal party is something of a political mystery. On the face of it, the plan has every qualification likely to recommend it to the Radical of the old school. It was approved by Mr. W. E. Gladstone, who wrote in 1895, "Free trade, with strict police and adequate taxation, was unfortunately refused a fair trial." On the other hand, he had "but a poor opinion of the scheme of mere limitation by reducing the number of licences." *

Mr. Gladstone, as the typical Liberal of his day, no doubt approved High Licence because it accords with the traditional policy of the party he so long led. It violates none of the principles of Free Trade; it seeks reform by means of sound finance; it interferes not with the freedom of any man to do what he chooses provided always that he can pay the price demanded.

Local Veto, on the other hand, is entirely foreign to Liberal principles; it is consonant with Tory paternalism on the one hand, and on

* Letter to Mr. T. Snape, read at the Chester Temperance Congress, October, 1895. It must, however, be admitted that parts of this letter can be quoted in support of any sort of licensing reform! See also Morley's "Life of Gladstone," vol. ii. p. 390.

the other with Socialistic disregard for personal liberty and private property, in face of the claims of the community ; but to the school of *laissez faire* it can never be anything else than repugnant.

Three forms of High Licence may be distinguished :

(1) A fixed licence duty roughly graded according to the estimated value of licences in large cities, in towns, and in rural districts.

(2) Sale of licences by auction to the highest bidder.

(3) A licence rate, or rental, charged on each licence according to its value.

The first plan has the advantage of extreme simplicity. The licence fee is fixed by the State at a high figure for big cities, and at a low figure for rural villages. Any number of intermediate grades can be added, as seems best in the circumstances. If the price fixed be high enough, the number of applicants will be small, and thus the number of licences will be automatically reduced.

The licensees will be necessarily rich, and therefore, on the average, respectable from the point of view of public order. They will take every care not to forfeit by misconduct the privilege for which they have paid so dearly, and for the exploitation of which they have invested much fixed capital.

From the point of view of police supervision, for the preservation of good order, strict obedi-

ence to law, ease in collection of revenue, abolition of insanitary premises and disreputable low public-houses, no better scheme could be devised, except, indeed, municipalisation.

The Americans have long ago discovered that High Licence has, at any rate, financial advantages, and the practice seems to be well-nigh universal. New York State realised £2,329,791 from licences in 1899 for a population of some seven millions (7,268,894 in 1900), which compares with £1,755,675, the revenue from licences for the forty-one million inhabitants of the United Kingdom in 1901–2. Boston in 1900–1 obtained $1,459,236 (say £300,000) for its licences, of which one fourth was paid to the State. Chicago in 1899 received £625,480, and Philadelphia in 1896 collected nearly two million dollars (say £400,000), about one-fifth for the State. But it must be remembered that the United States duty on spirits is only 5*s.* 6*d.* per gallon (50 per cent. alcohol) against 11*s.* charged by our Excise.*

Our Excise licence fees are from £6 to a maximum of £60 for the full licence, £3 10*s.* for beer-retailers' licences, and various sums down to 5*s.* for permission to sell "table beer" off. The American rates are, of course, infinitely various: $1000 (£200) is the figure in Pennsylvania, Massachusetts, and elsewhere. New York City has a maximum of $1200; and the

* R. and S. "Public Control," p. 62.

same figure is charged in Mississippi, while in Louisiana as much as $1500 is demanded.

(2) Sale of licences at auction secures to the State a larger share of the value of the licence than the fixed fee system: But it leaves in greater degree to chance the selection of the licensee. The successful bidder could not, in practice, be refused his licence, unless definite charges could be made against him, although he might not be the man who would otherwise be selected. The most reckless bidder is not always the best man for a position of responsibility. Licences can be sold by auction in Norway and Sweden, but, in practice, the great majority of them go to the Samlags and Bolags.

(3) A licence rental is recommended by the Minority Report of the Royal Commission, in the first instance for the purpose of raising a fund for compensating licence-holders deprived of their licences in order to reduce the number to a statutory maximum, and after seven years as an Imperial tax. But the minority Commissioners say (in the clumsy language which they often adopt) that they "would not carry this [scheme] as far as it is carried in some of the United States of America." What is their reason for this singular tenderness for private ownership in the monopoly profits which elsewhere they condemn as inequitable, the Report does not explain.

A more drastic proposal has been suggested

by the Fabian Society, which could be easily adapted to our present rating system. If the value of any premises unlicensed be estimated at £100 a year, and the same premises when licensed are assessed at £250 a year, it is clear that the licence is worth £150 a year. If the Local Authority were empowered to rate this on the ordinary basis, five-sixths of the assessed value and claim 20*s.* in the £ on £125 as a licence-rate, the margin left to the licence-holder would be as large a gift from the State as he ought to expect. Theoretically, the State should take the whole of the special value conferred by its licence. In practice, it could take at most a large proportion.

VERDICT ON HIGH LICENCE

High Licence adequately fulfils all the objects of the Licensing Law, and one of the conditions we have named as necessary qualifications of a good law, namely, that of securing to the State the whole, or at any rate the greater part, of the monopoly value of licences. It could also coexist with a popularly elected licensing authority, though it would not give that authority all the control over the conduct of the business which we desire.

But it would not encourage moderation in any positive manner beyond the letter of the law, and, indeed, the payment of a high fee would force the publican to special efforts in

pushing sales for the purpose of recouping his outlay. We fear, moreover, that it would not be acquiesced in very readily by a substantial minority of the people.

It is obvious that High Licence might well become a part of our revenue system, in addition to any other reform, since it is not in the least inconsistent with Municipal Management or Local Veto. The revenue thus raised would probably go to the Imperial Exchequer, and would be available for old-age pensions and the other social reforms which are admittedly urgent and only await the discovery of permanent sources of national income sufficient to meet their cost.

Were High Licence a plank in any recognised political platform, we should regard it with considerable respect. Its adoption would improve our licensing system out of all recognition. As a step towards our ideal we should accord it a hearty welcome. But it is at present outside practical politics. No doubt a strong body of temperance reformers has adopted the Peel Report with its licence rental as an immediate program. But the political parties appear to pay but little attention to their desires. Conservatives can hardly be expected to show enthusiasm over a plan so objectionable to the licensed victuallers, and the Liberal leaders seem to be frightened of the whole subject. Mr. Herbert Samuel, M.P., for instance, in his recent volume, "Liberalism, its Principles

and Proposals,"* gently pours cold water on Local Veto; indicates a preference for "mere reduction in numbers of licences," which Mr. Gladstone considered, as a remedy, "little better than an imposture"; says no word about Licence Rental or any form of High Licence; and, in a note, remarks that he has "no space" (in his 387 pages) "to examine" the claims of municipalisation. From his close connection with its central organisation, this studied neglect of any plan for increasing the public share in the profits of the liquor trade may be taken to represent the present policy of the Liberal party.

The political prospects of High Licence are therefore unpromising. Since, however, there is a more excellent way of reform, which has received the approval of the mightiest statesman of the day, which has made progress in isolated experiments, and has captured the intellectual acceptance of a large section of the people, it would be unwise to lay special stress on a method of reform based on a wornout political philosophy, which, at best, could achieve far less of what we want than its alternative.

* With a preface by the Rt. Hon. H. H. Asquith, K.C., M.P. Grant Richards. 1902.

CHAPTER III

ALTERNATIVES (*continued*)—LOCAL VETO

The case for Local Veto—Local Veto and Prohibition—The arguments for Local Option—The Right of Control—How Veto would work: In East-End Wards; in Artisan Suburbs; in West-End Wards; in Rural Districts—Veto in Towns—Local Option for Rural Districts—The rights of a Majority—The Law which failed—Prohibition—Failure of Local Veto—British Law-Breakers—Our Rulers object—American and Colonial Rulers—Teetotalers in Politics—An antiquated Philosophy—Summing up against Veto

THE CASE FOR LOCAL VETO

THERE are many reasons why this method of reforming the licensing system should have attracted wide-spread support in England, and should still be a part of the official program not only of the chief temperance organisations, but also of one section of the Liberal party, and even of such scientific experts as Rowntree and Sherwell.

Its claims are based on the simplicity of its machinery; on its wide adoption in most English-

speaking countries; on its apparent embodiment of the principle of local control of a local concern; and, above all, on its meeting exactly the wishes of that earnest section of the community which regards the use of intoxicants as a sin, and works for total abstinence with religious zeal.

With such advantages on its side, it is not a matter for wonder that Local Veto so nearly achieved political success in England. And yet even a superficial consideration of its program, and a brief examination of its working in other lands, are enough to convince any unprejudiced person that it would be both impracticable and useless in England, and that its results would probably be disastrous to the well-being of our country.

LOCAL VETO AND PROHIBITION

The distinction between Local Option and Prohibition is chiefly one of area and of degree. Local Option permits a locality to reduce the number of its licences or to veto them altogether. Prohibition is veto for a wider area, in America for the State instead of the county or township or city. And of course Prohibition may be, and sometimes is, extended to cover the manufacture of and the wholesale as well as the retail trade in intoxicants, and, unlike Local Veto, it is not subject to periodic revision by a simple process.

National Prohibition is avowedly the ideal of the militant teetotal party. They desire to stamp out alcohol as Mr. Long stamped out rabies. They regard all drinking of intoxicants as an evil in itself, as a sin, or a crime, or a disease; they consider alcohol a poison, which, unlike other poisons, is never beneficial even as a medicine. They would, therefore, prohibit its manufacture and its import. If their premises be granted, the conclusion, Prohibition, is logical enough, though logic is nowadays discredited as a guide in the maze of actual politics, because it so often leads its followers astray.

National Prohibition is not, however, within the range of practical politics in England. The scheme actually brought before Parliament by Sir William Harcourt in 1895 went, indeed, to the opposite extreme. It selected for voting purposes the smallest governmental area known to lawyers, and known practically to no one else, except the little groups of eager politicians who work the actual machinery of local elections. It permitted any ward to take a referendum vote of the parochial electors on two questions, veto of licences or reduction of their number by one fourth: the latter decision was to be operative by a bare majority; the former by one of not less than two-thirds. This scheme still pretends to a place in the program of that portion of the Liberal party which has not yet accepted the Clean Slate, and therefore it merits our careful consideration.

THE ARGUMENTS FOR LOCAL OPTION

Let us take the arguments used by its advocates and see how they work out.

Mr. T. P. Whittaker, M.P., perhaps the ablest writer in the Teetotal party, gives three reasons for advocating Local Veto in his memorandum appended to the Royal Commission Report. They are as follows :

That the present system of licensing has proved a failure. This may be admitted, but it does not necessarily lead to Local Veto.

That "the liquor trade being admittedly one that is dangerous to the public well-being, and no means of so regulating and restricting it as to prevent serious inconvenience, loss and injury resulting from it having been discovered, it ought not to be thrust upon a community against their will."

The flaw in this argument lies in the assumption that the injury referred to is caused by the trade in liquor, whereas in fact it is caused by the drinking of liquor, and there is much evidence to show that suppression of the legal trade may actually increase the amount of drinking.

The third argument, quoted from Joseph Cowen, is to the effect that the ratepayers who have to pay for the crime, pauperism, and insanity caused by drunkenness, have a right to control the licensing of public-houses, as payers of rates for municipal purposes control the

municipality. This again may be admitted, but it points directly to municipalisation.

The Minority Report itself gives no less than thirteen arguments in favour of Local Veto, but they contain only two additional points of importance, namely, that if the Local Veto Bill were passed it "would exercise a sobering and salutory effect upon the licence-holders" where veto was not adopted; and secondly, that since landowners can and do exercise a right of veto on their property, and find the practice a success, the inhabitants should have similar rights. This is not the place to examine the revolutionary implications of the latter of these arguments and the former is not important.

THE RIGHT OF CONTROL

The substantial case for Local Veto is the claim that the people have a right to control the public sale of intoxicants because of the social evils to which it gives rise.

Pauperism, insanity, disease, and crime are all traceable to excess in drink, and in all these the ratepayer is directly concerned because he is compelled to pay for their alleviation and prevention. With this argument we do not quarrel. Its validity has been recognised since the days of Archbishop Dunstan, the first English temperance legislator; but it is an argument for public control and not necessarily or exclusively

for Local Veto. Reduction or veto of licences is only one form of control.

What the community has an obvious right to stop, so far as it can, is such excess in drinking as leads to the social evils already indicated. The question then is this: Is Local Option the best method of reducing or preventing excessive drinking? The answer is that reduction of licences does little to reduce drinking; that veto in populous places probably increases drunkenness; and Local Option is a piece of machinery which in most places would not operate at all. The premises are sound enough; the conclusion so frequently deduced from them is entirely misleading.

If the people are entitled to control the liquor traffic we should devise some plan which will give them that control in fact, and not merely in name; a plan which will not be a mere paper right, incapable, by its form, of wide application; a plan which is likely to be adopted in every town and district and hamlet, and which will take effect in the drunken slums as well as in the sober suburbs.

HOW VETO WOULD WORK

Let us consider for a moment how Local Option would actually work. For this purpose we may divide localities into four classes:

(1) The "east ends" of the larger towns where

the slums are and the poorest and rougehst of the people live.

(2) The artisan suburbs, including industrial villages and most Urban Districts.

(3) The west ends of big towns, the rich suburbs, and the pleasure towns of the southern counties.

(4) Rural Districts.

IN EAST-END WARDS

In places of our first class public-houses are to be found at every corner, and beerhouses are thickly scattered in between. Here the evils of drunkenness and disorder are rampant; here licences, as a rule, might be reduced by one quarter for three or four years in succession with obvious benefit to the inhabitants. These are the districts where the poor spend far too large a share of their scanty earnings on drink, and far too little on proper food and decent housing and clothing. Here, if anywhere, the drink fiend should be most fiercely attacked.

How then would Local Option affect such districts? Every one knows that it would have no beneficial effect at all. No vote for reduction or veto would come within measurable distance of success. Where the publicans are strongest and the people most devoted to drinking, there the chance of a majority for temperance would be so infinitesimal that licence-holders would not even be "sobered" by the fear of it!

Experience abroad bears out this forecast. Local Option by wards is not usual in America,* so there is no exact parallel to be found in that country, but since large American towns never adopt Local Veto as a whole it may be inferred with some confidence that the temperance minority is not massed in their most drunken districts.

All that Sir William Harcourt's Bill could have done for Stepney and Whitechapel, Bethnal Green and Soho, and their equivalents in Manchester, Newcastle, and Cardiff, would have been to shut up public-houses in the surrounding districts, and thus to drive that section of the inhabitants which desires facilities for drinking to concentrate where drink could be most easily obtained. Local Option would make our slums still slummier; would drive the criminal classes into the already crowded courts and lanes of the licensing areas. It would operate, if at all, in the direction of concentrating what all social experts desire to scatter. It would render specially attractive to the submerged tenth those very districts which every municipal Health and Housing Committee desires to depopulate and to destroy. Local Veto, instead of remedying, would intensify the evils of drink where those evils are most acute, and their social effects most disastrous.

* But the vote is taken by wards, and an examination of the results in Boston and Cambridge, for example, confirms the above inference.

IN ARTISAN SUBURBS

In the artisan suburbs the results of Local Option votes are more doubtful. Its advocates no doubt believe that many such districts would favour reduction or even veto of licences. The estimate of the average expenditure of working-class families on drink made by Rowntree and Sherwell does not, however, support this hope. If the average working-class household spends 6*s.* a week on intoxicants, it is scarcely likely that any large section of it will show a majority for diminishing the facilities of supply of a commodity so inconvenient to transport and to stock as is beer. Local Option, might, however, occasionally succeed in banishing licences from parts of such districts.*

IN WEST-END WARDS

In wards of such districts as Kensington and Wimbledon, Haslemere, Weybridge, and Cheltenham, where rich householders reign supreme, Local Veto would flourish abundantly. The stockbroker and solicitor, the retired officer and the rich widow, who dwell in such places do not

* In a ballot taken recently at Port Sunlight, Cheshire, the model village built by the proprietors of Sunlight Soap, 472 householders voted for a licence, 120 against, and 28 abstained. "National Temperance League Almanack, 1903," p. 83.

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require public-houses. What intoxicants they want they obtain in bulk, or consume at their clubs and at city restaurants. As owners and occupiers they object to public-houses, which attract the rowdy elements and lower the value of adjacent property. They are quite willing to inflict compulsory abstinence on the minority of cabmen and gardeners, tradesmen, street cleaners, and the like, who occupy by-streets or come in from surrounding districts to serve the wants of the aristocrats.

This is no mere conjecture. It is what has happened in Massachusetts. The residential districts round Boston have vetoed licences; the increase of population under no-licence between 1881 and 1894 "is solely attributable to the action of cities and towns within a radius of twelve miles or less of Boston; in other words, of places where a no-licence vote removes the drinker a short but not seriously inconvenient distance from the base of supplies."*

In such places Local Option is a class measure. It enables the rich to impose restrictions on the poor in a matter which directly concerns the poor alone. It permits those who buy their drink from the wine-merchant to compel to abstinence those who would like to buy at the public-house. In form it may be democracy; in fact it is a tyranny.

* "The Liquor Problem in its Legislative Aspects," p. 227.

IN RURAL DISTRICTS

In rural districts the landowners are supreme, and their will is law. Wherever they put on pressure enough they could secure a temperance vote, and no doubt in a few places village public-houses would be closed. Veto prevails under option and other laws over wide areas in the United States and Canada, and in New Zealand, where women now vote, the vetoed area is increasing. But the freehold farmers and small traders of these regions are totally different from the labourers, tenant-farmers, and gentry of England. Occupation in agriculture is the only feature common to both groups.

The country inn and the village public-house no doubt harbour a few drunkards, and occasion waste of wages badly needed for other purposes. But no one would contend that the closing of even a considerable number of these places would materially affect the condition of the British nation. It would tend, where adopted, to render country life less attractive to some people, and so might increase the already serious evil of rural depopulation. But there is no reason to suppose that any large proportion of the rural districts would veto licences. The active temperance party quite properly devotes its chief energies to the towns. Few squires, fewer farmers, and scarcely any agricultural labourers are teetotalers. Local Option polls would some-

times stir the placid surface of village politics, and that would be about all the good or the harm they would accomplish.

VETO IN TOWNS

The conclusive argument against Local Veto is that it is useless, and worse than useless, for towns and crowded districts. For the proof of this statement we must refer the reader to the works of Rowntree and Sherwell, or to any other detailed account of its operation, such as Mr. E. L. Fanshawe's "Liquor Legislation," and "The Liquor Problem in its Legislative Aspect," issued by the "Committee of Fifty."* Rowntree and Sherwell demonstrate with a wealth of facts and figures which defy contradiction:—

That in the very wide areas where Local Option prevails veto is confined to rural districts and a few small towns, the only exceptions being suburbs such as Cambridge, Mass., which bears much the same relation to Boston as Gateshead to Newcastle, except that it is mainly a residential and relatively wealthy place. In many American counties, which are without licence, it appears doubtful whether the cause is the wish of the inhabitants for veto, or the want of sufficient inhabitants to support a public-house. The same rule holds good for Canada, Australia, and New Zealand.

* The argument is set out briefly in Fabian Tract 86. "Municipal Drink Traffic."

Secondly, that where the scattered farmers in their teetotal fervour vote State Prohibition and force Veto on the towns, the result is illegal selling openly connived at by the authorities. Portland, Maine, a place of some 50,000 inhabitants, after forty-five years of continuous prohibition, has one notorious drinkshop to every 240 inhabitants, whilst London has one to every 446. In 1898 Portland had 42 arrests for drunkenness per 1000 inhabitants against 13 in New York, 23 in Chicago, and 7·9 (for 1897–1901) in London. Portland drank at least 18·6 gallons of beer per inhabitant in 1899, which is 3·3 gallons more than the average of the United States. In the same year the Federal Government issued licences to 1339 illegal liquor dealers (including 45 to brewers and wholesale dealers) in the State of Maine alone. It is one of the oddities of the American State system that the Federal Government habitually issues licences to liquor retailers, who, by the laws of their States, are contraband. The Federal officers, who strictly enforce Federal law, take no notice of State law.

Such then is the result of attempted Prohibition in the small towns of a State with a population of 20 * to the square mile, which is just one quarter of the density of the population in Westmorland, the least populous county in England.

* Density in 1900, 23·2, an increase; Westmorland in 1901, 81½, a decrease.

When their election pledges, or their consciences, or their wives compel American legislators to vote Prohibition they are sometimes reduced by the absurdity of the results to remedies even more absurd. Such is the Mulct Law of Iowa, passed in 1894 and apparently still in force. In the sixteenth section the Act states: "Nothing in this Act contained shall be in any way construed to mean that the business of the sale of intoxicating liquors is in any way legalised, nor is the same to be construed in any manner and form as a licence, nor shall the assessment or payment of any tax for the sale of liquors as aforesaid protect the wrongdoer from any penalty now provided by the law, except that on conditions hereinafter provided certain penalties may be suspended." And the conditions provided are that on payment of £120 a year, and complying with certain other somewhat stringent regulations, persons can open saloons and sell freely as much as they please. And Iowa, in 1890, had but thirty-four persons to the square mile.

Indeed, it would seem that Prohibition often increases drunkenness and crime where it has been tried in the American States, probably because smuggled whiskey is the worst sort of drink, and, on the principle that stolen apples are sweet, it is specially prized. Anyway, arrests for drunkenness averaged for five years in nine towns in Prohibition States 20·94 per 1000 against 13·09 for seven larger licence

towns in similar States, and general crime was 51·31 against 37·07 per 1000.*

LOCAL OPTION FOR RURAL DISTRICTS

For populous centres Local Veto has been non-suited; its advocates no longer claim that they have a strong case; but they still put it forward as desirable for rural districts.

Mr. Arthur Sherwell, in his "Drink Peril in Scotland," instances Sutherlandshire as one of the few counties suitable for Local Option, because it possesses but eleven persons to the square mile. We have every regard for the scattered inhabitants of those barren northern moors, condemned to an execrable climate, remote from civilisation, and only sustained in their adversity by that intense local patriotism which is the birthright of all dwellers in the desolate parts of the earth. But it is not practical politics to attempt the enactment of a bitterly opposed law, involving considerable social reconstruction, and introducing an almost novel principle to our statute-book, on the off chance that the inhabitants of Sutherlandshire may avail themselves of it for closing a few of the wayside inns which at present offer rest and shelter to the crofter returning from the market or the southron fisherman wandering in pursuit of sport. The end does not justify the means. It is erecting a steam-hammer for cracking nuts.

* R. and S. "Temperance Problem," 5th Edition, p. 131.

Unless Local Option will benefit the mass of the people; unless it will affect reform where reform is most needed; unless it can be shown that benefit will accrue from it to the average city and town and urban district, it is not worth the bitter years of political strife, the waste of national time and thought, and the expenditure of reforming energy, which such a measure must entail.

Mr. Arthur Sherwell probably knows more about the drink problem than any man in England. He is now reduced to advocating Local Option for the benefit of Sutherlandshire. It is the last ditch. Surely he must soon acknowledge that even for Scotland Local Option is a lost cause, and that to himself more than to any other man in England is due its downfall. Its political prospects were blighted by the General Election of 1895. Its intellectual foundation was destroyed by the publication of "The Temperance Problem and Social Reform." No one can read that volume, unless he be a teetotal fanatic or a party politician, without acceding to the authors' contention that Local Option is utterly inadequate as a remedy for the evils of alcoholism. And no one who understands the merest elements of politics would advocate an inadequate remedy, which provokes the "maximum of opposition,"* which already has caused or, at any rate, contributed to one

* T. P. Whittaker, "Some Frank and Friendly Words," p. 6.

political disaster, and which is almost certain to lead to another for any party which is foolish enough to fight an election on it.

THE RIGHTS OF A MAJORITY

The most plausible rejoinder to a part of the case against Local Option is to this effect: A law, it is said, is not necessarily bad because it is often disregarded; laws are made for law-breakers; if there were no offenders there would be no need for laws.

This argument is to a certain point valid. The question is one of degree. Theoretically there are no limits to the "right" of a majority to coerce the minority by legal enactment. Practically there are very definite limits to the "right," although those limits alter from decade to decade and from century to century. The variations are in both directions. A few centuries ago religion was held by all but an utterly insignificant minority of idealists to be an obvious matter for compulsory law, and the legal coercion of dissenting minorities was carried on successfully for a thousand years. Catholics persistently burnt Protestants, and when at length the tables were turned, Protestants hanged Catholics with scarcely less enthusiasm. Nowadays, outside Russia, it is universally recognised that legal compulsion in religion is a mistaken policy.

On the other hand, the innumerable sanitary regulations, which we enforce with stringent

penalties, would have been deemed in earlier days an intolerable interference with the rights of the citizen to dispose of his refuse and to distribute his sewerage in whatever way seemed to him best. Or, to take another example, the elaborate factory code which orders every mill to open and close at no other than the appointed hour was regarded, less than a generation ago, by enlightened people like John Bright and Professor Fawcett as an illegitimate interference with the right of the manufacturer and the workwoman to buy and sell labour in a free market.

The questions to be discussed in deciding upon any new restriction of individual liberty are purely practical. Does the majority consider it expedient to compel the minority, and can they effectively do so? For if they try and, on the average, fail more harm than good follows.

THE LAW WHICH FAILED

Here is a statement of the results of the attempt at Prohibition in Maine, issued by the Committee of Fifty, a body of American economists and social savants associated for the study of the Liquor Problem, who appointed Messrs. Charles W. Elliot, Seth Low, and James C. Carter as a sub-committee on its legislative aspects. In the introductory chapter of their Report * they write :

* Liquor Problem, p. 4.

PROHIBITION

"Prohibitory legislation has succeeded in abolishing and preventing the manufacture on a large scale of distilled and malt liquors within the areas covered by it. In districts where public sentiment has been strongly in its favour it has made it hard to obtain intoxicants, thereby removing temptation from the young and from persons disposed to alcoholic excesses. In pursuing its main object—which is to make the manufacture and sale of intoxicants first impossible, or, secondly, disreputable if possible, it has incidentally promoted the invention and adoption of many useful restrictions on the liquor traffic.

"But prohibitory legislation has failed to exclude intoxicants completely even from districts where public sentiment has been favourable. In districts where public sentiment has been adverse or strongly divided, the traffic in alcoholic beverages has been sometimes repressed or harassed, but never exterminated or rendered unprofitable. In Maine and Iowa there have always been counties and municipalities in complete and successful rebellion against the law. The incidental difficulties created by the United States revenue laws, the industrial and medicinal demand for alcohol, and the freedom of inter-State commerce, have never been overcome. Prohibition has, of course, failed to

subdue the drinking passion which will for ever prompt resistance to all restrictive legislation.

"There have been concomitant evils of prohibitory legislation. The efforts to enforce it during forty years past have had some unlooked-for effects on public respect for courts, judicial procedure, oaths, and law in general, and for officers of the law, legislators, and public servants. The public have seen law defied, a whole generation of habitual law-breakers schooled in evasion and shamelessness, courts ineffective through fluctuations of policy, delays, perjuries, negligences, and other miscarriages of justice; officers of the law double-faced and mercenary, legislators timid and insincere, candidates for office hypocritical and truckling, and office-holders unfaithful to pledges and to reasonable public expectation. Through an agitation which has always had a moral end, these immoralities have been developed and made conspicuous. The liquor traffic, being very profitable, has been able, when attacked by prohibitory legislation, to pay fines, bribes, hush-money, and assessments for political purposes to large amounts. This money has tended to corrupt the lower courts, the police administration, political organisations, and even the electorate itself. Wherever the voting force of the liquor traffic and its allies is considerable, candidates for office and office-holders are tempted to serve a dangerous trade interest, which is often in antagonism to the public

interest. Frequent yielding to this temptation causes general degeneration in public life, breeds contempt for the public service, and of course makes the service less desirable for upright men. Again, the sight of justices, constables, and informers enforcing a prohibitory law far enough to get from it the fines and fees which profit them, but not far enough to extinguish the traffic and so cut off the source of their profits, is demoralising to society at large. All legislation intended to put restrictions on the liquor traffic, except, perhaps, the simple tax, is more or less liable to these objections; but the prohibitory legislation is the worst of all in these respects, because it stimulates to the utmost the resistance of the liquor-dealer and their supporters.

"Of course there are disputed effects of efforts at prohibition. Whether it has or has not reduced the consumption of intoxicants and diminished drunkenness is a matter of opinion, and opinions differ widely. No demonstration on either of these points has been reached, or is now attainable, after more than forty years of observation and experience."

This is obviously a case of an attempt at compulsion, which has failed, and its failure has brought disastrous consequences in its train.

THE FAILURE OF LOCAL VETO

It is claimed that Local Veto does not give rise to such serious breaches of the law, because

it is inoperative unless it is desired by a substantial majority in the locality. But even under this form of veto much the same law-breaking has prevailed. Mr. E. L. Fanshawe, in his "Liquor Legislation in the United States and Canada," tells us that in the State of Michigan in 1893 seven counties only out of eighty-five had adopted veto, and in only two of these had it been enforced. In Georgia, also under Local Option, Fulton County, which contains Atalanta, a city which had 37,409 inhabitants in 1880, voted for veto from 1885 to 1887. In the latter year under veto fifty-seven persons took out Federal licences for the purpose of selling in violation of State law. In Independence, Missouri, in 1888 liquor clubs were tolerated in contravention of the law on payment of a monthly fine, and the only result was that Sunday selling was introduced where Sunday closing had prevailed. These, perhaps, seem to be trifling cases. The explanation is that Local Veto only operates in rural districts, where violations of it, if they occur, are not reported.

BRITISH LAW BREAKERS

It may be said, the examples of law-breaking are drawn from America, where lynching is a common practice, corruption reigns supreme in municipal government, and the law is regarded with far less reverence than in England.

We admit at once that the argument must

not be pressed too far. We have already contended that what happens in Portland, Maine, will not of necessity also happen in Leeds and Newcastle.

But on the other hand it must be recollected that reverence for law is only skin deep even here. As soon as any party is persuaded that a law is unjust, that it offends their religious or moral or intellectual scruples, they defy it and break it with the utmost readiness.

The most respectable of citizens marry their deceased wives' sisters. Anti-vaccinationists have erected a medical theorem into a religion, and by persistent defiance of the law have succeeded in obtaining legal recognition for their scruples.

And in these later days the most moral, law-abiding, and peaceful members of the community have in no inconsiderable numbers persuaded themselves that it is their duty to engage in "Passive Resistance" to the requirements of the Education Act of 1902.

With these examples of incipient anarchism in their memories, with the success of the anti-vaccinators to encourage them, does any one believe that a local law (for the veto law in its operation would be local) would be respected by the somewhat lawless class which is keenly desirous of obtaining liquor, and by the altogether lawless class which will take any risks for the sake of a good profit?

OUR RULERS OBJECT TO IT

From a political stand-point Local Veto is a bad business. The leaders of the Licensed Victuallers and the Brewers in Parliament have not sufficient astuteness to abstain from opposition to a proposal which would probably promote their trade interests and at the same time satisfy their most determined opponents.

If they knew their business, and could control their supporters, they would either offer a show of resistance just sufficient to give their enemies the confident joy of victory, or else they would affect the virtue of preferring the good of their country to the interests of their trade and would support the demands of the Teetotal party.

Such political finesse is happily beyond the scope of the brewing intellect, and, indeed, it is doubtful if the leaders could persuade their followers to adopt so subtle a policy. "The Trade," of course, opposes Local Veto because it supposes that licences would be cancelled, sales of liquor would fall off, and the whole business would suffer a serious injury. The direct political power of the Licensed Victuallers, used in accordance with this view, is no doubt considerable, but it does not account for the greater part of the opposition which Local Veto calls forth. Its opponents are the ordinary citizen, the workman, the man in the street, the voter who does not read political speeches. This man is

our ruler. He drinks beer, always ; he generally goes to a public-house when he is thirsty. He objects to people with ideas of any sort, because he has none himself, and does not see the good of them. Especially he dislikes teetotal fanatics, and all their ways and works. He takes the obvious view that he doesn't see why people who don't want to drink beer should interfere with those that do.

This sort of man is the average man in all classes of society. It is this man who determines the fate of parties at general elections, and by whose will or absence thereof our country at these periods is really ruled.

And in passing we may remark that herein lies the security of our empire and the certainty of its safe progress. If our destinies were actually controlled by brilliant politicians, by ardent reformers, by young men that see visions and old men that dream dreams, our fate would be extremely doubtful. The commonplace, or perhaps we should say common-sense, intellects of average members of Parliament, selected and elected as they are by an electorate even more commonplace, preserve our country from the projects of every sort and kind of faddist. When the electors are asked to decide on a policy, only that which is obviously desirable to the ordinary intellect has a chance of ultimate success.

Thus we move forward, very slowly but very surely, and there is no reaction.

Local Veto is bad politics, because the average

man in England is always against it. He did not realise in 1892 that the Liberal party meant this business. He voted Liberal because Gladstone was a Grand Old Man, and he thought Home Rule would put a stop to the endless worries about Ireland.

But in 1895, when Gladstone was gone, when Home Rule was discredited, and Local Veto a live issue, the man in the street demonstrated very clearly that he preferred a change of Ministry; and from that date onward Liberalism made no headway until Lord Rosebery cleaned the Slate. That has made a difference. No one believes that Lord Rosebery, when his party returns to power, will revert to Local Option; he is far too shrewd a politician—once bit, twice shy. Mr. John Morley may urge Liberals to "stick to the creed of their party," but the man in the street takes no count of him. The cleaning of Local Veto off the slate has had more to do with Liberal victories at certain by-elections than the opponents of the Education Act chose to think.

THE AMERICAN AND COLONIAL RULERS

But it may be asked, how it is, if this view be correct, that Local Veto is the law in so many of our Colonies and in the majority of American States? Does not the man in the street rule also in these democratic lands? The answer is "No; it is the man with the farm." The

rulers of American States * and British Colonies are not workmen, nor any dwellers in towns and cities, but landowning farmers. Does anybody suppose that the City of New York has Sunday closing because its people will it? It is the farmers of New York State who elect the Republican majority in the State Assembly at Albany that force Sunday closing on Democratic New York City.† What is true in the Empire State is true throughout America and our Colonies. The freehold farmer is the controlling force in politics. He lives, as a rule, far away from public-houses; he does not want them for himself, and perhaps objects to them for the occasional hands he employs. His wife, at any rate, is keen on Local Veto, because she does not use the public-house, and so he votes for veto, and, in New Zealand, she does so too.

Norway and Sweden are in the same case. Scattered land-owning farmers are the largest, and by far the strongest, element in the population.

* In 1900 39·6 per cent. of occupied males in the United States were agriculturalists. In 1880 the percentage was 48·3. The number of male "farmers, planters, and overseers" in 1900 was 5,367,169, nearly all presumably voters.

† The people of New York are now endeavouring to obtain power to decide the question themselves by Local Option.

TEETOTALERS IN POLITICS

The electoral force of the Teetotal party is sure to be exaggerated.* Politicians seem to be constitutionally incapable of realising or recollecting that the people who pass resolutions at private meetings and ask questions at public ones, who write to the newspapers and frequent the Lobby, and exercise all the other arts of political persuasion, generally control a mere sprinkling of voters at the poll. We speak from an extensive and intimate acquaintance with such forms of agitation. It is a fair game; those who play it are often the best and most devoted of citizens; but they must not be taken too seriously. At the election of 1885, when John Williams stood as a Socialist for Hampstead, it was reported that the Duke of Argyle, then Lord Lorne, had said before the poll that he did not fear his Conservative opponent, Sir Henry Holland, but he thought the Socialist would win. John Williams polled thirty-five votes, and Sir Henry Holland got in. Whether this tale be true or not is immaterial; it accurately represents the effect which a few vigorous agitators can produce on the mind of the statesman.

The teetotalers, to their honour, are tireless wirepullers; they know all the tricks of the trade; they have large crowds of non-electors

See Shadwell. "Drink," p. 98.

at their beck and call; but their value as a voting asset is not nearly so great as is commonly supposed. Moreover, the power of political group leaders to control their followers is generally very small. It is said that the Irish in England vote as they are bid; the Licensed Victuallers may sometimes cast solid votes in accordance with their business interests; closely concentrated trades, such as the miners, may at times resolve on and take collective political action; but other groups cannot be so controlled. The teetotal Liberal will not vote Tory at the order of any society; in most cases he will not even abstain from voting. The bonds of party are mysteriously strong in the man who is interested in politics, and temperance reformers are nearly always ardent politicians.

If the Liberal or Labour candidate (for the Labour men lack enlightenment on this matter as much as the Liberals) says "I must promise to vote for Local Veto or I shall lose the Temperance vote," we venture to assure him that he need not fear. Intellectual honesty often pays even in politics. If a candidate does not honestly believe in Local Veto, if he is convinced that there is a more excellent way, let him say so boldly, and where he loses a few votes he will gain many more.

AN ANTIQUATED PHILOSOPHY

The fact is, that Local Veto was devised in the days when Individualism was triumphant, when the State was regarded as entirely a repressive force, and Radical thinkers aimed at confining its action to the negative work of prevention of ill-doing.

When reformers of this school perceived that the drink evil must be dealt with by the State, they could conceive of nothing else than negative action; they therefore proposed to invoke the machinery of government for diminishing or preventing what they regarded as an evil, the retail sale of liquor.

But that political philosophy and method is out of date. The community with its growing integration and differentiation, as the Spencerians say, has in these latter years attained to self-consciousness; it has "found itself." Experience has shown that the Municipality can serve the purposes of its constituents in both senses of that word, by supplying gas, water, electricity and trams, concerts, parks and bands, milk for the babes, schools for the children, novels for the young folk, and newspapers for the old, houses for the living and crematoria for the dead, far better and more cheaply than private enterprise can.

The thinkers have followed in the rear, as they always do, expounding the philosophy of

accomplished facts, and enthusiastically applauding what their predecessors unhesitatingly condemned.

Everybody nowadays (except, perhaps, Lord Avebury) realises that if any difficult or delicate work is to be done the community itself must take it in hand.

This unquestionably is the spirit of the age. It may not be the final and eternal truth in social organisation. Our grandchildren may make some further discovery. But for this generation the collective organisation of industry, of trade, of learning, of life, is the accepted method; this is the path which all progressive nations are treading, and the future is clearly with those which follow it most faithfully.

SUMMING UP AGAINST VETO

Local Veto as a method of reforming the licensing system does not pass the tests we have proposed.

It would not fulfil the objects of the law any better than the present system does. It would not prevent excessive consumption where excess chiefly prevails, and it would not facilitate police supervision and enforcement of the law where these are now most needed. It would not add to the revenue, and it would tend to encourage illicit sales and the adulteration which accompanies them.

As for the requisites of a good law, it really has none of them.

(1) The popular control it gives is of the most superficial character, and in the greater part of the country would amount to a mere acquiescence in the present order of things.

(2) Local Veto would do nothing positive to promote temperance. Its action would be purely negative. The profits of the trade would still be used for furthering its prosperity. In licensed areas the evils of the trade would continue unabated.

(3) The monopoly value of licences would remain in private hands.

(4) The law would not be acquiesced in by the minority. All experience shows that those who want drink insist on having it at all costs. Where they are scattered on remote farms in backwoods, or amongst the fiords and forests of Scandinavia, they cannot combine to defy the law, and they have to let it take its course. But wherever Local Veto is attempted in towns, or even large villages, unless they are close to a licensed area, the law becomes a dead letter and illicit drink shops abound.

Politically Local Veto is impracticable. Philosophically it is ill-founded. The time has surely come when politicians should explicitly and completely abandon it.

CHAPTER IV

LEGISLATION AND CONSUMPTION

Gravity and Beer—The Law of Beer-drinking—Beer-drinking likely to increase — Stationary Consumption of Spirits—Beer as a Temperance Beverage—Spirits, Prohibition and Drunkenness.

GRAVITY AND BEER

THE law of gravity is universal in its application to physical phenomena in most of their aspects, and its relation through transport to the production and consumption of commodities is supposed to be obvious. But its particular application to the liquor problem has hitherto escaped adequate notice.

Alcoholic liquor is nowadays manufactured wholesale and is carried to consumers from a distance. Hence, it may be inferred that, other things being equal, a thinly populated country, where distances are great, will use less manufactured drink than a thickly populated one, and of the alcoholic drink used a larger proportion will tend to be concentrated and a less proportion diluted.

Beer contains from 4 to 5 per cent. of pure alcohol, and spirits as sold 40 to 50 per cent. The exact proportions do not matter for our present purpose, since it may be fairly said that the weight and bulk of beer is ten times that of spirits for an equivalent of alcohol.

A scattered population of farmers is likely to consume scarcely any lemonade and but little beer; even their use of spirits will be somewhat limited by the difficulty of transport. In towns, on the other hand, a man can always buy as much drink as he can afford, and, indeed, the wayfarer must buy something when he is thirsty, unless he be content with the lukewarm liquid supplied by the occasional drinking fountain. In the country, on the other hand, he can often find, and always beg, water which, at any rate, is cold.

THE LAW OF BEER-DRINKING

If we now place the northern nations in the order of density of population, we find a close correspondence to the law that the denser the population the greater the quantity of beer drunk per head; whilst the consumption of spirits is independent of any such rule, except, perhaps, in the case of very thinly populated countries, such as our Colonies.

	Density of Population.	Consumption per Head.	
		Beer.	Spirits.
Belgium	599	46·9	1·89
England and Wales	558	35·3	0·99
Germany	272	27·5	1·94
Denmark	160	22·0	3·30
Scotland	150	12·8	1·84
Ireland	137	20·0	1·09
Sweden	30	11·0	1·90
United States	26	13·3	1·06
Norway	18	5·1	0·73
New Zealand	7¾	8·6	0·69
Canada	1½	4·0	0·68

[Figures of consumption from House of Commons Return, No. 335, Aug. 12, 1901 (for years 1898 and 1899), except those for England, Scotland, and Ireland, which are deduced from estimates of T. P. Whittaker, M.P., given in his "Economic Aspects of the Drink Problem." Ideal Publishing Co. 1902. In regard to beer they are the only figures available, but they are admittedly based on guess-work.]

Of course there is a large element of fallacy in these figures, because population is not evenly distributed over the area of a country. In Scotland, for example, one and one-third million of its four and one-half million people inhabit the one small county of Lanark. In the United States of America the North Atlantic group of States had in 1900 a density of 129·8 and the Western States only 3·5.

The Australian colonies, with their very large cities and vast uninhabited areas, have been omitted; also Holland, where no statistics of beer are to be obtained; Russia, where beer, though drunk in ancient times, is now scarcely used; and all wine-growing countries where wine takes the place of beer.

Again, we find that as population grows denser beer-drinking increases, whilst spirit-drinking is stationary or even rapidly decreasing.

The official figures for the United States are most remarkable:

*Consumption of Beer and Spirits per Capita in American gallons.**

	Beer.		Spirits.
1840	1·36	...	2·52
1850	1·58	...	2·23
1860	3·22	...	2·86
1870	5·31	...	2·07
1880	8·26	...	1·27
1890	13·67	...	1·40
1896	15·16	...	1·00

The figures for twenty years are given more fully in the "Encyclopædia of Social Reform," † and from this we quote the following averages, a fairer mode of computation than the selection of single years:

* Twelfth Annual Report. Commissioner of Labour, Washington, 1897.

† Funk. New York, 1897, p. 742.

Annual Average.	Spirits.	Wine.	Beer.
1876–85 . . .	1·31	0·48	8·68
1886–95 . . .	1·33	0·46	14·1

We constantly hear of the great progress which total abstinence and temperance legislation is making in the United States, but in respect to beer the increasing density of population easily overtakes it. During twenty years the consumption of spirit scarcely altered: that of wine, chiefly used by the richer classes, actually decreased; that of beer increased by some 62 per cent.

BEER-DRINKING LIKELY TO INCREASE

If this law be correct, and it appears not only to be *a priori* probable, but to correspond closely to the available facts, we may make several important deductions from it.

The first is that the use of beer is likely to increase amongst all beer-drinking nations, except where the population is already so thick that distance is no obstacle to any appreciable proportion of potential beer-drinkers.

Accordingly we find from the Return (No. 335 of 1901) just quoted, that an increase in the consumption of beer over the period dealt with is well-nigh universal. The following are all the countries reported on, for which a comparison between the years 1885 and 1898 or 1899 can be given:

Per Capita Consumption of Beer in gallons.

	1885.	1898.	1899.
United Kingdom	27·1	—	32·7
Russia	0·73	0·89	—
Norway	3.8	—	5·1
Sweden	4·5	11·0	—
Belgium	35·6	—	46·9
France	4·6	—	5·9
Switzerland	7·0	—	15·4
Italy	0.18	—	0·13
Austria-Hungary	7·3	—	10·1
United States	9·3	—	13·3
Germany	19·4	—	27·5
Average	10·86		15.35

The latest year recorded is that given in each case. It will be noticed that Italy, where the amount consumed is infinitesimal, is the only country showing a decrease, and that the average increase of the countries is over 41 per cent.

For our Colonies the return covers the years 1888 to 1899 with the following results for all those given for the full period:

Per Capita Consumption of Beer in gallons.

	1885.	1899.
New South Wales	11·3	10·2
Victoria	20	13·4
Tasmania	9·4	7·9
New Zealand	7·1	8·6
Canada	3·5	4·0
Average	10·3	8·8

These figures on their face tell against our view; but it must be observed that the Australian Colonies have passed through a prolonged period of commercial disaster and depression, from which New Zealand was saved by the daring finance of its Labour Premier, and which did not touch Canada. Both these colonies show an increase of consumption.

STATIONARY CONSUMPTION OF SPIRITS

With spirits the case is altogether different. In the last seventy years the variation in British consumption has been inconsiderable.

For ten years, 1831 to 1840, it averaged 1·113 gallons; for 1891–9 it averaged 1·021 gallons. The minimum period was 1861–70 with ·941; the maximum 1871–80 with 1·173. In America in recent years we find the same steadiness.

The Government return previously quoted gives particulars of the consumption of spirits in eleven countries (including Holland and Denmark and excluding Germany and Switzerland) over the same period of thirteen or fourteen years. Six of these countries show decreases and five show increases. On the average of countries consumption fell from 1·617 gallons in 1885 to 1·592 gallons in 1898 and 1899. Our Colonies all show decreases between 1888 and 1899.

Where free trade and low taxation have permitted a high rate of consumption, reforms of

the law have been followed by great reductions. Hence the astonishing results of various enactments in Norway and Sweden, and also in Switzerland.

In Scotland there is room for a material reduction in the consumption of spirits. In England, on the other hand, the figure is relatively low. All European countries outside the Mediterranean basin, and Portugal, drink more, most of them much more, with the single exception of Norway. The United States takes about 5 per cent. less over a term of recent years, rather more (1·36 gal. to 1·05) in 1902, the last year recorded.* Our Colonies vary from double to one-tenth of our own consumption.

BEER AS A TEMPERANCE BEVERAGE

It must be recollected that our earlier temperance agitations, in Parliament and outside, were exclusively directed against the use of spirits, and so recently as 1830 an Act was passed expressly "for the better supplying the public with beer" by means of freely granted licences at two guineas a year. The intention was to discourage the use of spirits, but in this respect the plan was not a success. A legacy of this legislation is the present immunity from control by the justices of the ante-1869 beerhouses.

* R. & S. "Public Control," p. 62, and "*Daily Mail* Year Book," p. 133.

William Cobbett, the great Radical, held the same idea. In his "Cottage Economy" (New Edition, 1824) he speaks of the drink "which has caused a very considerable part of the mortifications and sufferings of [the labourer's] life," and adds, "thus he makes his miserable progress towards that death which he finds ten or fifteen years sooner than he would have found it had he made his wife brew beer instead of making tea"! And he concludes his chapter on cottage brewing with the remark: "Surely we may hope that when the American farmers shall see this little essay they will begin seriously to think of leaving off the use of liver-burning and palsy-producing spirits . . . they may have, and do have, very good beer if they will. . . . I like the Americans very much, and that, if there were no other, would be a reason for my not hiding their faults." Happily his good advice has been followed, as the figures just quoted show.

On the Continent this view of beer prevailed to a much later date. The Gothenburg sytem, established in 1865, still applies to spirits only, and the same is true, though perhaps not for the reason suggested, of the Russian and Swiss monopolies.

SPIRITS, PROHIBITION, AND DRUNKENNESS

Now the only thing likely to turn the English people from their well-beloved beer to spirits is

Prohibition, local or otherwise. For the second deduction to be drawn from the application of the law of gravity to drink is that if the retail selling of drink is vetoed in any district, those who insist on having alcohol will tend to obtain it in the more portable form of spirits.

It is true that in Portland, Maine, 3·3 gallons more beer per head are drunk than on the average in the United States; but on this statement Mr. Sherwell says, "If we could add to these figures the consumption of spirits—the consumption of which, owing to their greater portability, is always stimulated by prohibitory legislation, it would be seen how great the consumption of intoxicating liquors in Portland really is." *

It is hardly possible to over-emphasise the disastrous consequences likely to follow any such change of habit. All the worst results of excess in drink are due to the use of spirits. The most serious pathological effects of alcoholism, the destruction of the digestive system and its concomitant evils, are caused by spirits.

"Spirits and spirits alone produce the absolute ruin of body and mind which makes the true dipsomaniac." †

Moreover, drunkenness and crime are due in far greater measure to spirits than to beer.

If we compare England with Scotland and Ireland we find that the charges for drunkenness

* R. & S. "Temperance," p. 157.
† Dr. Shadwell. "Drink," p. 31.

in English towns varied from 33·5 per 1000 in Tynemouth (where the Northumbrians go to take the air), 20·3 in Newcastle, 13·8 in Salford, the three highest, to 2·1 in Bradford, 1·2 in Norwich, 1·0 in Cambridge, an average for thirty-eight towns, including London (7·9), of 7·4 per 1000. In Ireland the figures begin with 63·3 for Galway, and average for seven large towns 24·8. In Scotland Ayr heads the list with 51·71, Glasgow comes third with 47·07, and the average of fifteen towns is 34·99.*

What is the explanation of the extraordinary excess of criminal drunkenness in Scotland and, to a less extent, in Ireland? The Scotch, at any rate, have the reputation of pious and law-abiding citizens. But they drink spirits when Englishmen drink beer, and this is probably enough to account for their excess in drunkenness.†

According to Mr. T. P. Whittaker, M.P., the relative expenditure per family on intoxicants of the three countries is:

	£	s.	d.
England . . .	22	12	3
Scotland . . .	17	6	10
Ireland . . .	15	10	9

But, taking totals, England spends 95½ millions sterling on beer and about half that sum, 48½ millions, on spirits; Ireland spends 7¾

* R. & S. "Public Control," p. 254. The figures are incomplete, but that does not affect our argument.

† *See* Shadwell. "Drink," p. 69.

millions on beer to 6 millions on spirits; whilst Scotland spends less than 5 millions on beer to over 10¼ millions on spirits. Whether these figures be exactly correct or not, the fact can not be disputed that the Scotch drink spirits when English drink beer, and the result is nearly five times as much urban drunkenness, three charges for crime for every two in England, and seven committals to prison for every three in England.*

Yet in Scotland the ratio of licences to population is 1 for 360, whilst in England it is 1 for 243; the expenditure per family on drink is much less, and Sunday closing has prevailed since 1853. From these figures it appears that for the purposes of drunkenness ninepence spent on whisky is five times more effective than a shilling spent on beer.†

In the United States a similar comparative preference for spirits over beer still prevails, though in far less degree than in Cobbett's day; and it is impossible to say how much of it is due to the large area under veto, and how much to the magnificent distances which separate the breweries from outlying farms and ranches.

* Report on "Judicial Statistics," Scotland, pp. 8–15. Cd. 878. 1901. It is more economical to go to prison than to pay fines, and this may partly explain the excess of Scotch committals.

† These proportions do not profess to be statistically accurate.

LEGISLATION AND CONSUMPTION

Considered in the light of our dense population our high average of beer-drinking is explained, whilst our spirit-drinking is by no means immoderate. The outlook therefore from the social standpoint is by no means so black as some writers depict it. Teetotalers speak as if the drink problem were growing greater, and drunkenness, with the evils which it causes, were becoming more prevalent.

But we find, on looking into the facts, that our country is steadily growing soberer. "Actual drunkenness has materially diminished in all classes in the last twenty-five or thirty years," says the Royal Commission Majority Report, and the Minority Report in no way contradicts the statement. Dr. Shadwell very carefully examines the evidence in his chapter on the "Decline of Drunkenness,"* and he conclusively shows that drunkenness is decreasing. Mr. Charles Booth arrives at the same conclusion in his final volume,† though he believes that women drink more than they used to do, an opinion, however, on which Dr. Shadwell's investigation throws much doubt.‡

Then others say that our drinking habits are a national danger, that we are being beaten in

* "Drink," chap. iii.

† "Life and Labour," vol. xvii. p. 59.

‡ "Drink," chap. iv., Female Drunkenness.

the world-race by more sober nations. But who are our competitors? The learned Germans, who drink twice as much spirits and just as much net alcohol; or the Belgians, with their cheap iron, who drink twice as much spirits, a good deal more beer, and 40 per cent. more net alcohol; or the Danes, whose agricultural progress is our constant envy, though they take 3⅓ gallons of spirits for our 1, and some 2½ gallons of pure alcohol to our 2·08? Americans, it is true, drink only half our amount of net alcohol, but they take rather more spirits per head, and, in our view, they abstain from beer because beer barrels are too bulky to carry to the scattered farms where so large a proportion of the people dwell. Indeed, a statistical brewer might fairly argue that America's extraordinary industrial progress of late years has been due to the rapid increase in the use of beer.

Teetotalers are alarmed at our great and ever growing habit of beer-drinking, because they have not realised that it is apparently an inevitable consequence of a dense population.

We must, indeed, deplore the enormous share of wages which, as Rowntree and Sherwell demonstrate, are spent, or shall we say wasted, on intoxicants; and every thoughtful person must acknowledge the value of that constant preaching of temperance which occupies the scanty leisure of so many devoted men and women throughout the land.

But we must face facts fairly; and, in our opinion, these facts show that whilst drunkenness can be reduced, and perhaps even stamped out, by laws properly adapted to that purpose, moderate drinking, especially of beer, is a national habit only to be changed very slowly indeed. Some effect, we believe, would be produced by the legislation we contemplate, though it may be more than counterbalanced by the growth of urban population. But we are convinced that they are mistaken who expect from any legislation whatsoever a rapid reduction in our national consumption of alcohol.

CHAPTER V

STATE MANAGEMENT ABROAD

The Argument from other Nations—Norway and Sweden—The South Carolina State Dispensaries—Russia—The Swiss Spirit Monopoly—The Transvaal

THE ARGUMENT FROM OTHER NATIONS

In many respects the civilised world is becoming a great commonwealth. Science, Art, and Literature are already international, and, to a less extent, the social evolution of each State possesses common features and obeys the same laws. At any rate, the governing principles of any period are common to all the nations. If it be granted that the Teutonic and Sclavonic races, at any rate, are still evolving towards a higher and fuller civilisation, then it is the business of the political philosopher to look ahead, to watch whither other nations are tending, and to take care that his own is kept in the van of progress.

This rule is valid even in so detailed a matter as the trade in alcoholic drinks. We

need not necessarily copy other nations, but if we find manifested in various separate peoples spontaneous movements for adopting measures based on an identical underlying principle, that principle has at the lowest a claim to our most careful consideration.

At the present day State management of the Liquor Trade is found, in one form or another, in such diverse countries as Norway, Sweden, Russia, Switzerland, the United States of America, and the South African Colonies. Sweden led the way in 1865, and the other countries followed in the order named : Norway, 1871 ; Switzerland, 1887 ; South Carolina, 1893 ; Russia, 1895 ; and Transvaal Colony, 1902.

The significance of this wide adoption of the same principle lies in its evident spontaneity. Norway, of course, copied Sweden, and the Transvaal Colony, or perhaps we should say Mr. Chamberlain and Lord Milner, acted no doubt upon information received. But the other countries clearly started on their own initiative, because their applications of the common principle bear little resemblance to each other. Norway and Sweden have philanthropic companies for retailing spirits ; Switzerland has a Federal monopoly for producing spirits ; South Carolina has a State monopoly for retailing all intoxicants ; and Russia a State monopoly for retailing spirits, which is a re version to the traditional custom of the country.

We have only space for brief synopses of these systems.

NORWAY AND SWEDEN

The famous Gothenburg system in these countries has attracted world-wide attention, and quite a literature exists specially devoted to it. The most recent and carefully critical account is given in Rowntree and Sherwell's "Public Control of the Liquor Traffic." We may remind our readers that the essence of the system is the grant of a monopoly of spirit licences in each town to a company formed for the purpose, which pays a fixed interest on the capital and hands over the balance of the profits for public purposes in proportions determined by law. Part of the funds are used for reading-rooms, and other substitutes for the saloon, as the Americans phrase it, and another part for subsidies to temperance societies. For fuller details of the system and its results we must refer the reader to the volumes mentioned in the Bibliography annexed, but we must make a few observations on points which have special application to our argument.

The taking over of a municipal function by a semi-detached company is more closely in accord with Swedish customs than it is with our own, because the co-optive principle prevails extensively in their municipal affairs. Hundreds of citizens are co-opted to the committees of the

councils of large towns; such members are often chairmen of committees, and it is a recognised practice to treat co-option as the first rung of the ladder in municipal politics; a co-opted committee-man who makes a reputation is selected as candidate for the council itself.* The Bolags are therefore only somewhat more detached than the other municipal committees. Moreover, they have but little real autonomy. The Town Council decides on the number and localities of the licensed premises and appoints auditors for the accounts. The by-laws of the company must be examined by the magistrates and submitted by them to the Town Council, on whose report the Governor can reject them, and "the company is in duty bound to be governed by the orders of the Governor of the province concerning all changes [in what is not specified], and if the company decline the Governor is permitted to impose a suitable fine." †

In Norway municipal control is even more direct and complete. In Bergen the Town Council appoints half the managing committee; there and elsewhere the by-laws are subject to the approval by the Council, who also have a veto on the appointment of managers, and in addition powers of audit and control over licences as in Sweden. These companies, therefore, both in Sweden and Norway, are nearly

* *See* "Fabian News." October 1901.
† Gould "Report," p. 47.

as much subject to popular control as a statutory committee of one of our town or county councils.

Another point of interest is that Sweden is tending towards the humanising of its public-houses. The buildings have recently been improved, and rules enforced in order to make them "elegant and clean." "In the press the introduction of music has been urged; it will come in time." In Stockholm we learn that "the bars have been converted from dark dens to bright working-class *cafés*." *

The next point we would draw attention to is the effect of the company system upon the national consumption of spirits. In Sweden this was excessive in the early years of the century, but by various enactments it was reduced to 8·8 litres per head in 1879. Since then it has not materially altered, the average for quinquennial periods being:

1882–6	7·8	litres
1886–91	6·9	„
1892–6	7·0	„
1897–1901	8·3	„

On the other hand, the consumption of beer has increased almost yearly from 17·1 litres in 1882 to 37·7 litres in 1902.

In Norway much the same thing appears.

* Letter from Mr. Gustav Siosteen. *See* also his observations, *Journal Royal Statistical Society* March 1901, p. 28.

Consumption first fell below 4 litres in 1879; from 1880 to 1899 (the last year recorded) the quinquennial averages are: *

1880–4	3·5	litres
1885–9	3·1	„
1890–4	3·5	„
1895–9	2·8	„

Here the consumption of beer has also increased, but only slightly.

The conclusion we draw from this is that the company system, after it has cured abnormal excess, must not be expected to effect any great reduction in national consumption. The fall in the last quinquennial period in Norway may be set against the rise in the last quinquennial period in Sweden; in both countries the limits of legislative effect appear to have been reached some twenty years ago.† The normal rate of national consumption can only be altered by a change in the habits of the people apart from the licensing law.

Another point to be noted is the Norwegian experiment in town prohibition. This was permitted by an Act of 1894, and Mr. Whittaker records with satisfaction that twenty-three towns had abolished the companies and the

* R. & S. "Temperance," p. 724.

† The fall in Norwegian consumption is stated to be due to an increase in the stringency of the law, but the movement is too recent and too slight for a confident inference.

sale of spirits altogether.* Mr. Whittaker should know that statistics, like whiskey, are most dangerous when they are new and ill-matured. But we also must take the risk, and mention that in 1900 out of eleven towns which had voted Prohibition in 1895 six returned to "Samlag" licences, and this is the more remarkable because all electors who do not vote are counted as supporters of the *status quo*.

THE SOUTH CAROLINA STATE DISPENSARIES

A typical southern State is so utterly unlike an English county that inferences from one to the other are of little value. South Carolina has a population of 1,340,312 scattered some forty-four to the square mile, in rice swamps on the coast and backwoods farms amongst the hills. More than half the people are negroes, and in 1891 only three towns had over 8000 population, and these contained but 7 per cent. of the whole. Presumably the negroes do not count for political purposes, because they are not counted.

The extraordinary history of the State Dispensary Act can be read at length in "The Liquor Problem in its Legislative Aspect." Here we have only space for the briefest summary. The result of a long political conflict between the planter aristocracy and the farmers was the

* Memorandum attached to the Royal Commission Report, p. 321.

victory of the latter in 1892; a Prohibition Bill was introduced, but it would have cost the State the income from licences, and other political difficulties arose.

Prohibition was therefore thrown out, and a Bill instituting the Dispensary system, which had been invented in 1889 by "Athens, Georgia," "was rushed through towards the end of the Session. The Lower House had barely time to read it; it was whipped through in the course of two and a half hours at the last meeting."

Riots against it, annulments by the Supreme Court, periods of uncertainty whether Free Trade or Prohibition was the law, re-enactments, amendments, "blind tigers," and other forms of illicit selling were the results in the next few years. Even wine for Communion was smuggled. But ultimately the system conquered.

It is a pure State monopoly. Liquor is to be obtained, like stamps in England, only from State officials, who receive it, in sealed packages of not less than half a pint of spirits and one pint of beer, from a central store, and dispense it to purchasers in the same form for consumption off the premises. The buyer must bring a signed order form, written in ink or printed, giving his name, age, and residence, the quantity wanted, and for whose use. Unknown persons require to be identified. It is, however, needless to say that in practice these formalities are disregarded. One exceptionally clever section of the Act must be noted: it is provided that the taking out of

a Federal licence to sell liquor shall be deemed *prima facie* evidence of (illicit) liquor-selling.

Notwithstanding its extraordinary inception and troubled infancy, this queer system seems to have become highly popular.

"The liquor interest (the blind tigers excepted) is demoralised and disbanded." Arrests for drunkenness have decreased, and even the blind tigers "live in a state of semi-captivity."

The number of dispensaries established has been much smaller than that of the licences they replaced, and perhaps for this reason the financial results have not realised the expectations of the promoters, and at first the net profits were less than the proceeds of licences under the old system. As, however, the profits are between £60,000 and £70,000 a year, there is nothing from our point of view to complain of.

The most important point about the system is its success. By 1897 it was accepted by all parties save the Prohibitionists "on principle." The true explanation is no doubt furnished by a local paper, which remarked in 1892: "The great majority of our white voters reside in the country, and have no interest in sustaining the saloons. . . . if they can procure all the whiskey required, and have the profits thereon returned to them, they will be content." The dispensaries, it is said, are mainly used by the blacks.

State dispensing has spread, even in Individualist America, both locally in the neighbouring parts, in Alabama, North Carolina, and

Georgia, and even to the very remote and different State of South Dakota.

RUSSIA

State monopoly is no novelty in Russia. From the earliest times the trade in alcohol had been a princely privilege, and when the Czar of Moscow became paramount, he regulated it according to his pleasure. In 1652, under the influence of the Patriarch Nikon, an ordinance was promulgated which enacted Sunday closing, including all fast days, strictly perpendicular drinking, prohibition in the rural districts, and the closing of all drink-shops save one in each town. This proved a complete failure: in 1658 Nikon retired, and next year orders were issued giving rewards for large sales, and special instructions not to turn drunken men out of the drink-shops! A State monopoly seems to have been established in 1677, but farming out was soon revived, and continued till 1817, when State monopoly was again introduced with disastrous results to the revenue owing to illicit distilling. Farming was therefore re-established in 1827. It was unpopular, and in 1859 a great temperance movement broke out, directed apparently against the spirit farmers rather than against drinking. Spirit-shops had to be closed, distilleries failed, and the revenue suffered, notwithstanding the annulment by the Minister of Finance of all

temperance resolutions adopted by local authorities. So in 1863 spirit farming was abolished and excise licensing introduced, a reform satisfactory in attaining its object of increasing the revenue of the State, but, at the same time, resulting in a rapid growth in consumption, owing to a great reduction in price from 2*s.* to 7*d.* per litre! Strictly perpendicular drinking and the exclusion of food from spirit-shops were tried as remedies for excess, but without result, so the excise was increased from 8*s.* per wiedwo* in 1863 to 20*s.* in 1874, and the fee for licences was also raised. This proved effective, as it nearly always does, and consumption fell from 5.85 litres per head in the former year to 2.35 in the latter.

Reversion to State monopoly was mooted in 1885. It seems that the excise system was practically free licensing, and, at any rate, it is stated that competition led to great abuse, and the traders resorted to illegitimate methods to increase their sales, whilst the officials concerned themselves about nothing beyond the collection of the duties. It was some years before the risk to the revenue of a change of system could be faced, but on January 1, 1895, the monopoly was introduced into several provinces, and it proved so successful that it has since been extended over the whole of European Russia.

The State buys the vodka from the makers,

* A wiedwo is 4·7 English gallons.

giving a considerable preference to those in rural districts ("brandevineries agricoles," as opposed to "distilleries industrielles"), and to the smaller as against the larger concerns. The spirit is rectified by the State, done up in sealed bottles, and distributed to the retail depôts, which sell it in bottles as received. The system is like that of North Carolina, already described, except that a written order is not required, and that the customer on entering the shop is obliged by law to take off his hat; conversation is not permitted; the bottle may not be opened on the spot; "when he has got his bottle there is nothing for the purchaser but to go away."

Wine and beer dealers are permitted to retail State spirits, and certain restaurants can sell by the glass; but the commission allowed in both cases is very small.

Local Veto is sometimes permitted, and over one hundred depôts have been closed by this means.

The number of spirit-shops has been greatly reduced, and is now very small, one to 2543 inhabitants in thirty-five provinces in 1899, and the total number was 99,111 in that year (against 150,069 in 1889), although the monopoly was in operation in only one half of European Russia. In twenty provinces where it was first introduced the reduction has been from 35,689 in 1894 to 5091 in 1898.

The authorities state that temperance was their object in making the change, and this

sweeping reduction of licences, together with the Spartan methods adopted, seems to justify their claim. It must be remembered that the Russian peasants pay heavy direct taxes, which are frequently in arrears, and the State therefore has an immediate interest in promoting thrift.

Perhaps the most surprising part of the Russian system is the realisation of the "counter attraction" idea, on which Rowntree and Sherwell justly lay so much stress. The Government has organised in every town, and even in rural districts, subsidised committees for the purpose of supervising the administration of the law, promoting temperance by direct instruction, and providing counter attractions. In Moscow most extensive schemes have been organised. People's palaces, music halls, concerts, theatres to which admission is free or at an almost nominal charge, summer fêtes, public libraries, reading-rooms, and, above all, very cheap and comfortable restaurants. In other towns the same sort of activities prevail. An admirable account of these committees can be found in an article by Miss Edith Sellers in the *Contemporary Review* for December 1902. Much of this work has proved to be self-supporting, but the State grant to the committees for these purposes was in 1901 * nearly £500,000. The work of these committees is said to be undertaken enthusias-

* Skarzynski. "L'Alcool," p. 180. The passage is obscure; the year referred to may be 1902.

tically by the educated and aristocratic classes in Russia, largely, no doubt, because, while keenly alive to the urgency of social problems, they are debarred by the autocracy from the ordinary forms of political and even philanthropic activity.

It is too early to give with any certainty the financial results of the monopoly. The excise revenue seems to show that consumption has not been materially reduced, since it averaged 260,745,713 roubles for ten years up to 1898 (say £26,000,000 sterling), and in 1899 it reached the highest point, 298,753,746 roubles, or nearly £30,000,000 sterling. The licence revenue naturally fell off as the monopoly was introduced, and was only 11,107,951 roubles in 1898 against an average of 16,875,902 for the ten preceding years. On the other hand, the trading profits have increased as the monopoly was extended, and in 1899 they reached 111,405,806 roubles, or over £11,000,000. The net profit has varied in different years and districts from 13½ to 50 per cent. It has averaged, quite roughly, over 30 per cent., and is, as a rule, increasing.

It must be remembered that the Russian population is growing quickly, and the excise revenue appears not to have kept pace with it. Moreover, the increase in consumption of spirits took place chiefly in those provinces where in 1899 the monopoly had not been introduced. In the provinces where it was begun in 1895

there was a marked reduction for the years 1896 to 1898, but in 1899, the last reported, showed a reversion to the old level. If these provinces are taken by local groups, some show an increase, even allowing for the growth of population, whilst the majority give a decided decrease. We cannot afford space for the explanations offered for these figures. At present all that can be said with certainty is that the results so far appear to be favourable, but are by no means decisive.

We have dwelt at some length on the history of the Russian monopoly, because we believe much of it is unknown to English readers, and because it explains that State management was no innovation but merely a reversion to the traditional custom of the country; for the farming system was but a form of Government monopoly, and indeed is to be found in Scandinavia to-day as a part of the municipal monopoly there; and even during the excise period the licences were granted by the State, which retained the power to refuse them.

How the enormous reduction of licences will work cannot yet be judged. It has thrown out of employment scores of thousands of persons, since even for the drink-shops retained candidates previously unconnected with the trade are always selected. Hence much dissatisfaction has arisen, and this is the explanation of many of the reports of the failure of the system.

Drastic reductions in licences are generally

effective in reducing consumption for a few years, until illicit supplies are organised, or the people get accustomed to the new arrangements for procuring liquor; and this appears to be the course events are taking in Russia.

The peasants are not habitual drinkers. They take little alcohol save in the form of spirits, and of this they drink scarcely more than ourselves. Their consumption of net alcohol is therefore nearly the lowest in Europe; but the custom of the villagers is occasionally, on feasts and festivals, to "go on the booze," with childish irresponsibility and disastrous consequences. This is a form of drinking specially amenable to treatment by legislative and social methods. The Russian people, too, are accustomed to be ordered about in ways that nations bred up to personal freedom would not tolerate for a moment; therefore autocratic measures in an autocracy may be successful, which would fail in a democracy, even though enacted in the most democratic of forms by a majority vote at a referendum.

THE SWISS SPIRIT MONOPOLY

By the Constitution of 1874, which guaranteed freedom of trade, all restrictions on the sale of liquor were removed. The effect of this was a great increase in consumption and much consequent degradation amongst the people, and it was then decided by a two-thirds vote on a

referendum that the Federal Government should take over the wholesale business of distilling and selling spirits. The law came into operation in 1887, when all domestic stills and the 1400 distilleries were closed, except about 68. The result has been a reduction in consumption of about 30 per cent. In 1900 the receipts were just over 13,000,000 francs, and the net profit of 6,355,536 francs, say £254,221. This was about an average year, as the proceeds have varied from 7¼ to 5½ million francs.* The Government has improved the quality of the spirits supplied and is presumably satisfied with the substantial profits realised. It should be noted that the consumption of beer here, as elsewhere, is rapidly increasing.†

THE TRANSVAAL

The first fruits in actual legislation of the municipalisation movement in England is the Transvaal Liquor Licensing Ordinance of October, 1902.‡ It is a codification of the whole law of the subject, and is remarkable in three respects. It permits Local Veto, for which the Transvaal, with its scattered population, is as an appropriate field as any; it fixes a licence fee of £100 for licences in places with a popu-

* "Annuaire Statistique de la Suisse" (official). Bern, 1901, p. 335.

† See F. O. Report, 1925, C. 8277, 143. June 1897.

‡ Cd. 1365. 1902. 3*d*.

lation of over 400 white men above 16 years of age, and £50 for places with less than that population, a decided step in the direction of High Licence; and finally the establishment either of simple municipal public-houses or of the Gothenburg system is expressly permitted, if the majority of the voters or male white persons over twenty-one years of age vote to that effect. When such a vote has been carried the local authority or company will have a monopoly.

Altogether it is clear that Mr. Chamberlain, Lord Milner, and their advisers in the Transvaal, are of opinion that experiments should be tried in various forms of licensing law. The Transvaal, with its large native population, is so widely different from our own country that the lessons from this comprehensive experiment may be of little use to us. Nevertheless, October 27, 1902, is a noteworthy date in the annals of municipalisation; since then, for the first time in the history of the world, the law explicitly gave permission to a local authority to conduct the business of liquor-retailing.

In February 1904 no information that the law had anywhere been put into operation had reached England.

CHAPTER VI

PUBLIC MANAGEMENT IN GREAT BRITAIN

The Scotch Public House Societies—The People's Refreshment House Association—The Public House Trust Companies

THE case for municipalisation would be incomplete without some reference to the spontaneous growth of three forms of public control of the Liquor Traffic in our country.

But as two books, and numerous pamphlets and papers have been recently published dealing specially with these experiments, which are consequently familiar to all interested in the liquor problem, it is not necessary here to devote much space to them.

They are, however, important because of the light they throw on the profits likely to be derived from public management of the retail trade.

THE SCOTCH PUBLIC HOUSE SOCIETIES

The first actual attempt at public management in Great Britain was made in June 1896

by Mr. Charles Carlow at the Hill of Beath in the kingdom of Fife, a mining village of 1100 or 1200 inhabitants belonging to the Fife Coal Company which he managed. Before that date there were no licensed premises in the village. When the demand for a licence could no longer be resisted Mr. Carlow, who is a Justice of the Peace, induced his colleagues to grant it to himself, and he forthwith, as agreed, handed it over to the control of a committee of five, three nominated by the company and two by the villagers. After the rent (£20) and 4 per cent. on the capital advanced by the company, had been paid the balance was to be used for public purposes. Various changes in the management have been made, and in 1900 the concern was registered as a company under the Industrial and Provident Societies Act, with a maximum dividend of 5 per cent. The net sums available for public purposes have varied from £358 in 1901 to £562 for 1899. The takings in the latter year were £2216, so that the net profits were just over 25 per cent. These have been used for a reading-room and institute, a bowling-green, singing-class, football club, and for introducing electric lighting.

Naturally the success of the experiment, from all points of view, attracted much attention in the district, and similar public-house companies have been formed at Armadale, Cowdenbeath, Dunfermline, Kelty, Kirkcaldy, and Standburn,

the last of which, though managed by a committee, is owned, as the Hill of Beath originally was, by a coal company. Other houses managed on the same system are mentioned, somewhat vaguely, by Mr. Walker in his volume, "The Commonwealth as Publican," and evidently the feeling in favour of the plan is strong amongst the working-classes in Scotland.

The financial argument is the conclusive one. If £500 or £600 a year in net profits are to be easily made in a village, the villagers prefer keeping it for themselves to handing it over to a brewer or a publican.

Unless it can be shown that serious evils result from the system, no further demonstration of its value is needed. Mr. Walker records a few complaints; but as he tells us that the people regard these places as their clubs it is evident that they are moving in the right direction. Rowntree and Sherwell, in their "British Gothenburg Experiments," are candid critics of these houses, because they have in some cases no monopoly, and the profits are all expended locally.

The Hill of Beath tavern, they say, does not materially differ from an ordinary well-conducted public-house. At Kelty, they tell us, it is impossible to decide whether the new public-house has or has not increased the total amount of drinking. On the one side of the account for these two places is a negation; on the other is £1000 a year taken from the profits of the liquor trade and secured for beneficent public purposes.

This alone is ample justification for these Scotch pioneers.

THE PEOPLE'S REFRESHMENT HOUSE ASSOCIATION

This Society was formed by the Bishop of Chester and others in 1896 for the purpose of introducing the Gothenburg system into this country. Its object is to acquire control of public-houses, manage them on approved principles—that is, salaried managers, paid a commission on all sales but those of alcoholic liquors, supply of good liquor, and decent arrangements. The company acquired one inn during 1897, and at the time of writing (February 1904) thirty-four are under its control. The great majority are in little country villages, and the business done is therefore small. On December 31, 1902, the capital of the company was £9577, but as £3212 was held in cash or invested in consols the employed capital was only £6365. On this capital a trading-profit of £1541 was made after paying all expenses of the public-houses, that is nearly 25 per cent. The expenses of the Association absorbed some two-thirds of this sum, but as the company is avowedly a propagandist body, and its houses are nearly all little village inns, scattered over the whole of England, these are out of all proportion to the normal cost of business management. Five per cent. is paid on capital, a reserve of £400

has been formed, and grants of small sums, over £212 in all, have been made to philanthropic objects in the villages where the company's houses are situated. The Report states that the sales of liquor were about the same in 1901 and 1902, but both years show a reduction on 1900 for houses managed during the three years.

A new and promising development is the opening, on January 14, 1904, of the Waterman's Arms in Bankside, Southwark, a poor and crowded district near London Bridge; a large business is done in cheap meals and in the supply of tea, coffee, and cocoa for breakfasts.

THE PUBLIC HOUSE TRUST COMPANIES

The origin of this most influential movement was dramatic. In 1900 Earl Grey, the owner of Broomhall, a mining village in Northumberland, applied for an additional licence for that village at the desire of its inhabitants. When it was granted, he was forthwith offered £10,000 for what he had acquired "without spending a single sixpence."

Struck by the iniquity of this transaction Earl Grey took up the matter with extraordinary vigour. Not content with organising a trust company for Northumberland to take over this and other licences and manage them for the public benefit, he has created a network of county and other companies already covering

almost every county of England and parts of Scotland, Wales, and Ireland.

These companies have been organised by the Central Public House Trust Association, and they are all much on the same model. The council includes *ex officio* members, as, for example, in Northumberland, the Lord Lieutenant, the Chairman of the County Council, the Chairman of the Standing Joint Committee, the Mayor of Newcastle, the Principal of the College of Science, the President of the Northumberland Miners' Association, and the Chairman of the Newcastle Co-operative Wholesale. A viscount, two baronets, two knights, and three commoners (one of them the ex-General Secretary of the Boiler-makers) have been elected by the directors, who themselves are bankers, ship-builders, and the like. Three trustees are appointed who will have the disposal of the surplus funds for counter attraction, educational, recreative, and other like purposes.

The other companies are on similar lines, except that outside Durham and Northumberland the heads of working-class organisations are not included amongst the local magnates.

Hitherto the movement has been confined to "the aristocratic elements of the community," as the Report for 1902 states, and rarely in these latter days have the aristocrats better justified their name. They have started a movement which is certain to make rapid progress in their hands, while in those of any other class decades

of patient agitation would have led to little result.

The objects and methods of these companies are obvious, and we need not go into details. They seek to obtain the grant of all new licences which the magistrates decide to issue in their areas, and to procure by purchase, or more usually as tenants of friendly landowners, any others which can be had at a reasonable cost. The shareholders are to receive no more than 4 or 5 per cent., and the balance of the profits is to be expended on public purposes of the usual sort. The houses are to be managed on the approved methods, apparently with a general tendency towards the humanising rather than the perpendicular policy.

By February 1904, 122 licences were under the control of these companies, and another hundred had been promised by the owners, as the leases fell in and other arrangements could be made.

The Durham and Cambridge Companies have paid 5 per cent., and the Cheshire and Northumberland 3 per cent. on their paid-up capitals; others are about to declare dividends for 1903, but in most cases the businesses have been started too recently to have yet earned profits.

Considerable difficulties, no doubt, stand in the way of this movement. The total number of licences in the country is steadily decreasing, and in recent years a new licence has been

granted, as a rule, only in exchange for the surrender of one or several old ones.

In England three licences out of four are held as tied houses by brewers and are never in the market. The companies are opposed to increasing the number of licences, and therefore they do not seek for openings to extend their businesses. Under present conditions, therefore, decades and even centuries must elapse before a sensible proportion of the licences of the country could fall into the hands of these Trusts.

Perhaps the greatest value of the movement is that it accustoms the aristocracy in the first place, and then the country at large, to the idea of municipal management. When substantial profits are made from a few houses, municipalities will awake to the idea of what might be done on a larger scale.

The companies themselves, already formed on a semi-official basis, will no doubt gladly transfer their undertakings to any elected authority authorised by Parliament to accept them. The public spirit which animated the founder, Earl Grey, will assuredly continue to actuate his followers.

CHAPTER VII

THE CASE FOR MUNICIPALISATION

It fulfils the Objects and Qualifications of the Law—Popular Control of the Trade—Perpendicular Drinking—Humanising the Public House—Municipalisation and the Drink Bill: Good Liquor—Municipalisation and the Rates—The Political Power of the Trade—Municipalisation acceptable to all—The Political Argument

IT FULFILS THE OBJECTS AND QUALIFICATIONS OF THE LAW

We have argued that some reform of the licensing system is imperative, and that all other methods suggested prove on examination to be incomplete or futile. State management remains to be considered, and the one form of this which is possible for Great Britain, municipalisation, will be found, on examination, to pass every test which we apply, and, in addition, to furnish advantages which no other system can offer.

It will be recollected that we set down the following as the purposes of the licensing law:

To prevent excessive consumption of liquor.

To secure adequate police supervision of public-houses, due enforcement of rules as to closing, &c., and the prevention of drunkenness and disorder.

To raise a revenue for public purposes.

To prevent the sale of untaxed intoxicants.

To prevent adulteration.

All these could obviously be fulfilled to the letter by a law which placed the management of the retail trade in the hands of the municipality. We added that a good licensing law—

Should win popular confidence by responding within limits to popular control :

Should directly encourage moderation in every possible way :

Should secure to the State the whole of the special profits which the regulation of trade creates :

Must not only be desired by a majority of the people, but must also be acquiesced in by practically all classes closely concerned in it.

Municipal management fulfils every one of the requirements. It is the only system which gives the public complete control over the trade. It alone, of all systems, can directly encourage moderation, because it is the only system which removes the conduct of the trade from private profit-makers. It alone secures every penny of profit for the State; and, finally, we hope to show that it is more likely to be acceptable to all than any other proposal. We shall deal

with each point in detail in the course of the argument.

POPULAR CONTROL OF THE TRADE

Municipalisation alone gives to the public a complete control over the Drink Trade, and thus carries out the demand of the Local Optionists in a way that they did not anticipate.

The merit of municipalisation is its infinite flexibility. Every sort of experiment in public-house management can be tried, for the widest latitude in details should be permitted to local authorities, subject only to the condition that no attempt at veto or free trade be made. Hours and methods of sale, special times for closing, number of licences, character of houses, and scores of other points should be left to the judgment of the representative authority.

Different methods are probably needed in different localities. In drunken districts stringent regulations would perhaps succeed best, at any rate, for a time. Where drunkenness is rare, whether in the particular locality or in the part of the country, such measures might do more harm than good.

Experience alone could give a decisive answer to questions which it is useless now to ask, because our cast-iron system offers no opportunity for any variation in practice.

Two opposite policies will no doubt be adopted, both of which have already adherents.

PERPENDICULAR DRINKING

The first notion of the temperance reformer when he abandons the idea of Prohibition is that public-houses should be rendered as disagreeable as possible to their frequenters.

Abolish the siren barmaid; allow no music or dancing, games or gun clubs; forbid snugs, private compartments, and all the refinements of bar-room life; reduce the whole thing to its simplest elements, a plain, bare, severely clean depôt, where people can obtain beer and spirits in exchange for money; can drink at the counter, or, at the utmost, sitting on wooden chairs at wooden tables; and whence they are to be encouraged to depart as rapidly as possible. A railway booking-office is the ideal aimed at by this school, and it is carried out to the full in South Carolina, where bottles of spirit are pushed through a lattice to the customer in exchange for a written order,* and in Russia where conversation in the spirit depôts is forbidden. Both these systems are for "off" consumption only. It has prevailed to some extent in Sweden, though food has always been supplied with the drink, chiefly in a separate room, and recently a movement in favour of the opposite policy has attained some success.

In Norway the idea has been carried out more strictly; in Bergen perpendicular drinking was

* "Substitutes for the Saloon," p. 41.

actually enforced, since no seats were provided, and customers were not permitted to loiter ; and it must be said that the Bergen plan seems to be successful. Sales at bar have steadily decreased, of course with fluctuations, from 2·45 litres per head in 1887 to 0·87 in 1901, the lowest figure recorded. Even these bars have been recently abolished, and for two years past no spirits have been sold for consumption on the premises.

It must, however, be observed that these systems, with a partial exception in North Carolina, where a little beer is sold, deal with spirits alone. In Sweden, and probably elsewhere, it is taken neat, and for such unsociable tippling the treatment appears appropriate.

Undoubtedly this method should be tried in some of our towns, or parts thereof. In Scotland especially, where a strong temperance movement exists alongside an extraordinary amount of drunkenness, where whiskey is the popular beverage, and where the prevailing puritanism of the people would render such methods congenial, the Norwegian drinking-bars might be introduced as an experiment. The same system might be adopted in Newcastle-on-Tyne and Tynemouth, where drunkenness is greatly in excess of the English average and the Temperance party is powerful.

HUMANISING THE PUBLIC-HOUSE

Less drastic measures would probably be preferred in other towns and districts, and we cherish the hope that they might in the long run be even more successful. After all, the public-house *is* the poor man's club, and it is the only club open to the great majority. Man is a social animal, and the more social, on the whole, the better he is. In the country a man may sit with content under his own vine and fig-tree, or their local equivalents. In a town he cannot be expected to spend all his spare hours in the dismal quarters he calls his home. We regret the free, sociable city life of the Middle Ages. We envy nations with hotter summers their open-air cafés and beer gardens. Cannot our working classes, and other classes too, have some equivalent in a humanised municipal public-house? Every reformer knows that the dark, dirty beer-house in a back street is the worst type of drink shop. It is the ante-1869 beer-houses which intelligent magistrates vainly desire to abolish. The "flaring gin-palace," which temperance orators describe in glowing periods, is the most obvious, but probably least objectionable, of urban public-houses.

This line of reform has been adopted by the Public House Trust Association. They propose to "improve and even to idealise the public-house, to supply every variety of refreshment;

to give facilities for games and recreations ; and, in a word, to make the refreshment-house something more nearly approaching to a club or, at least, a café as known in France." *

There seems to be some intention of keeping the games for the tea-drinkers, and Rowntree and Sherwell endorse this idea, only objecting that "the alcoholic and non-alcoholic departments" must be further apart than the sides of one house.

This, we suggest, is the wrong principle. The moderate drinkers must have their games too. The last volume issued by the Committee of Fifty, "Substitutes for the Saloon," brings out very clearly the important social function which, in America, at any rate, the saloons fulfil. There the workman "meets his fellows, and is met by them, in the direct and personal way that breaks down reserve, and causes at once the springs of his social nature to act. The saloon is the most democratic of institutions. It appeals at once to the common humanity of a man. There is nothing to repel. No questions are asked. Respectability is not a countersign. The doors swing open before any man who chooses to enter. Once within he finds the atmosphere one in which he can allow his social nature freely to expand. The welcome from the keeper is a personal one. The environment is congenial.

* Article in *Westminster Gazette*, May 22, 1901, quoted by R. & S. "British Gothenburg," p. 107. Official statements of the Association are less explicit.

It may be that the appeal is to what is base in him . . . The place may be attractive just because it is so little elevating. Man is taken as he is and is given what he wants, be that demand good or bad." *

The account of the Chicago saloons, given by the Committee of Fifty in their "Economic Aspects of the Liquor Problem" (p. 210), is to the same effect, and should be carefully considered by reformers of the Puritan school.

The freedom, democracy, independence of the public-house, are the qualities which can scarcely be replaced by any other substitute. Boys and youths, and even women, will stand a good amount of patronage, and for them the clubs, and classes, and institutes of Toynbee Hall, the People's Palace, and the thousand philanthropic and religious organisations of our towns and villages are admirable. But the average adult man wants no charity or coddling by superior persons; and his independence is to his credit. He resents quite properly the feeling that other people, especially other classes, wish to take him in hand and improve him.

This is why counter attractions will not cover the field in England. They will cater for the patronisable portions of the community, but it will be extremely difficult to make them acceptable to the adult, secular man.

Substitutes for the saloon and counter attractions will never make much impression on the

* P. 8.

habits of the people, if they are artificial in character—that is, if they are not only created, but require to be sustained by continuous conscious altruistic effort. Let cheap municipal restaurants be started, like those in Russia, but the test of their success will be the vulgar one: do they pay? If they are so organised that the public regard them as a legitimate municipal enterprise for the supply of a public want, they will do well, and attract the class for whom they are chiefly designed; but if they are known to be subsidised counter attractions we believe they will fail to do their intended work.

The demand of the consumer must be the test. It is futile in the long run to provide what no large number of people feel the want of.

Now there is no doubt at all that an enormous class wants, and for long must continue to want, what the public-house provides, and this want the municipality alone can properly meet.

The municipal public-house in some towns, at any rate, must be both a drink-shop and a club. The counter attraction must be on the spot. The rich man in his club can play billiards, or cards, or chess, and can read his newspaper and magazine, with no restriction as to the sort of liquor to be served him. The artisan in his club can do the same. If the public club-house has beer in the bar, but only lemonade in the reading-room and at the billiard-table, the youth who wants to be thought manly will stick to the bar and to the drink, and the older men

who want beer will stay there too. The bar will be the club, and the rest of the premises will be regarded as the nursery.

The average man wants beer, society, a good deal of amusement, and sometimes a little instruction. These are the elements, with the occasional addition of politics, which make up the working-men's club of to-day. A public authority can deliberately discourage the beer and promote lemonade; it can arrange for the society, improve the amusements, especially the music, and render the instruction, books, newspapers, lectures, and so on, as attractive as possible.

This combination, organised as part of a public undertaking, not ostensibly provided by superior persons for the benefit of inferiors, will meet an inexhaustible public demand. In the hands of the licensed victuallers it is directed towards promoting the trade. Those who seek society feel bound to drink for the good of the house, as payment for their entertainment. A public-house provided by a public body would be a public club; its frequenters would drink if they wanted to, and abstain if they preferred, just as a man does in his own club.

Many reformers, and some systems, make much of the provision of food and of non-alcoholic drinks in addition to the ordinary beer and spirits.

This should be done, but we fear it will not amount to much. In English towns the public-

house is the place for drinking; Lockharts, A.B.C., Lyons, and innumerable coffee-houses of all sorts and kinds supply most of the demand for meals. Mineral waters are regularly sold in public-houses, and the profit on them* is greater than that on intoxicants; so the publicans already have every inducement to sell them. The attempts made in various public-houses managed by philantbropists to sell food have had very little success.† In the saloons of American cities free lunches are a feature, and it is possible that the habit of eating in public-houses might be fostered here. But what would be the good of it? The English workman does not go to a public-house, or to his club, for his meals, and why reformers should attempt to ween him from his domestic habits is not obvious.

It is satisfactory to find that Mr. Charles Booth, most learned and most cautious of social investigators, sums up his views of the public-house problem decisively in favour of the policy we are advocating. "Some," he says, "and I count myself amongst the number, would make it their first object to improve the character of the places where alcohol is sold. . . . An

* Charles Booth. *Contemporary Review*, Sept. 1899.

† Charles Booth. *Contemporary* article, and accounts of the Kelty Public House Society given in "Among the Fife Miners" by K. Durland (Sonnenschein, 1904), p. 170. A notable exception is the Waterman's Arms, Southwark, which, however, is as yet only a few weeks old.

increase in the number of places in which under improved conditions drink is supplied, or in the number of drinkers, or even in the total quantity of alcohol consumed, they would disregard or even welcome, if accompanied by self-control and good sense." And he concludes this department of his seventeen years' survey of London with this passage:

"The ideal which I suggest that we should set before ourselves, and which it should be the object of this authority [a suggested London County Council Committee for controlling the policy of licensing] to realise, would be so to improve the conditions under which alcoholic drinks are supplied to all classes of the community that the standard of propriety in these public places should not only be set as high as possible, but should everywhere at least equal, and in poorer neighbourhoods rise above, that ordinarily obtaining in the homes. Respectability must rule." *

Such then in brief is the municipal public-house we advocate, and we hope that it will be given a fair trial. Although the puritanical ideas of the temperance reformers have a great hold on the governing classes and their method, perpendicular drinking in greater or less degree, is, with a few exceptions, the only one which has been adopted in publicly-managed drink-shops, and, in spirit, by English magistrates and American law-makers, intent on minimising the

* "Life and Labour," vol. xvii. p. 111.

evils of the trade, yet we feel confident that the other plan follows more closely the general lines of social progress.

The only permanent remedy for alcoholic excess is improvement in education, in intelligence, in refinement, and in social habits. Public drunkenness has ceased in good society, where it was universal a century ago. It is unusual amongst the middle classes, and the artisans are rapidly following their example. If we could reform the ethics of the public-house half the battle would be won. This, after all, is merely a grander way of stating the bald sentiment of Mr. Charles Booth, "Respectability must rule."

This rule a municipality alone can inaugurate. We want real public control of our public-houses, to the end that they may be wholly ordered for the good of the public.

MUNICIPALISATION AND THE DRINK BILL

It may be asked how municipalisation will promote temperance; what evidence is there that it will materially reduce the excessive expenditure on intoxicants?

Let us consider what promotes excessive expenditure. The chief causes are:

(1) *Excessive supply of liquor.*—Examples of this are Scandinavia under home distilleries when consumption was reckoned at 46 litres per head of spirits in 1829 against 8.7 in 1901;

Switzerland before the Government monopoly; England under the Beer Act of 1830; France and Belgium to-day.

(2) *Abundant illicit supply of bad spirits*, as in London under the "virtual prohibition" of the Gin Act of 1736, when there was, in 1742, one illicit drink-shop for every forty-seven persons; and the towns in American Prohibition States at the present time.

(3) *National prosperity.*—The Excise returns and the criminal statistics clearly prove that every period marked by a general rise in wages is followed by an increased consumption of intoxicants. This, of course, is no argument for low wages. It merely shows that as long as the mass of the people is not educated enough to appreciate better forms of enjoyment, they tend to expend a part of their increase of wages in drink.

(4) *Increase of urban population*, especially in crowded slum districts, though such areas are not perhaps actually growing. The proof of this, especially in regard to beer, has already been given.

(5) *Cheapness.*—A low Excise duty always means a relatively larger consumption. The moderate use of spirits in England may be largely attributed to the heavy duty, which is double that of the United States,* seven times

* This refers to the Federal Excise only. The States have imposts called Excise, but they are of the nature of licences. The States tax the seller but not the liquor.

that of Germany, and twenty-three times that of Denmark.* Other examples are: England in 1743, when the Excise on spirits was reduced from £1 to 1*d.* a gallon, and Russia between 1863 and 1894.

What, on the other hand, decreases consumption?

(1) Bad trade and consequent low wages.

(2) Careful regulation of supply.

(3) Increase of Excise duties, and so of price.

The last of these is the surest; there is one man in England who could instantly reduce the consumption of spirits, and perhaps of beer, by, so to speak, a stroke of the pen, and that man is the Chancellor of the Exchequer.

Otherwise the general position is that excessive consumption is promoted or permitted by too severe or by too lax restrictions: that it tends to increase as a nation becomes more densely populated: and, on the other hand, the growth of refinement and education tends to modify the rate of increase and to remove its worst features. In other respects legislation has but little effect on consumption.

The table of the consumption of spirits and beer in Sweden, given by Rowntree and Sherwell, illustrates this admirably.

See "Centralised Administration of Liquor Laws," Chapter I.

* R. & S. "Public Control," p. 62, &c.

	Litres per head.
Under free trade, 1829	42
Licence in towns, and prohibition in country districts, 1861–5	10·6
Company system, sudden reduction of licences, 1866–70	8·8
Good trade culminating in 1874 . .	13·5
Bad times to 1878	10·5
Worst harvest of century, 1879 . . .	8·8
Since then fluctuations downwards to 6·2 in 1889, and ending in 1898 at . . .	8·0

Meanwhile, owing to free trade and increasing density of population the figures for beer have risen from 11·1 litres in 1861-65 to 37·7 in 1902.

In view of these considerations no startling effect must be anticipated from municipal management. If it comes into operation during a period of declining wages, statistical town clerks will proudly point out its success. But if its adoption coincides with a boom in trade its apparent failure to reduce consumption may be confidently predicted, and its Prohibitionist opponents will "prove" that it is doing harm instead of good.

We have shown elsewhere that our national rate of consumption of alcohol is moderate in comparison with Scandinavia before the Gothenburg system, or even Belgium, Denmark, and other prosperous and progressive countries to-day. That our people spend far too much on drink may be freely admitted, and we hope that a considerable reduction in this expenditure

will ultimately come about. But it can hardly be anything else than gradual.

A drastic cancellation of superfluous licences in our "East-End" districts would, we believe, materially improve our slums, and might have a noticeable effect on our statistics of drunkenness. Liverpool has shown what can be done by wise methods of reform, and yet, as Rowntree and Sherwell point out,* the reduction in the consumption of liquor in Liverpool is inappreciable. The slum population is but a small, though fatally important, fraction of the whole. Anything which helps to remove such social sores will improve the health of the whole body politic. But the Chancellor of the Exchequer need not fear the sobering of the slums. It will have no appreciable effect on the Excise revenue or on the *per capita* consumption of alcohol. The public-house may take 50 per cent. of the income of the very poor, but the total of those incomes is insignificant in comparison with the rest.

We are anxious to make good every possible claim for Municipalisation, but we cannot honestly argue that it will quickly reduce our national drink bill.

GOOD LIQUOR

There is another argument for Municipalisation which we put forward with some hesitation,

* "Public Control," p. 208.

because, as already mentioned, we have no personal acquaintance with the subject. Official evidence is conclusive that neither beer nor spirits are commonly adulterated with anything except sugar and water. But beer may be made of inferior materials or of chemical "substitutes," which are alleged to yield a less wholesome liquor. Spirits are universally believed to be less intoxicating and dangerous to health when they are properly matured. Age is necessarily an element in price. Cheap spirit, newly manufactured from potatoes and other despised materials, is said to be bad from all points of view. The universal testimony from countries that have adopted State management is that the quality of the liquor has been improved, and such bodies as the People's Refreshment House Association deliberately renounce possible profits by declining to buy a cheap article.

Co-operative societies, clubs, philanthropic companies and the State are the only organisations which can protect the consumer from this insidious danger. So long as the profit goes to the seller of liquor, nothing can protect us from cheap spirit, unless, indeed, the State forbids its production and sale altogether.

It is certain that a municipality undertaking the supply of beer and spirits would be compelled, by an electorate constantly critical, to supply nothing but the best.

All those, therefore, and they are many, who

attribute much of the drunkenness, especially of the Scotch, to the use of bad spirits, should come forward to support any form of municipal management of the trade.

MUNICIPALISATION AND THE RATES

The decisive argument for the Municipalisation of the Drink Trade is the financial one.

The monstrosity of the present method of giving away licences for practically nothing has been demonstrated by the Royal Commission and must be obvious to everybody. Even the most doctrinaire of economists now admit that local monopolies ought to be administered by the local authority in the interests of locality. Every well-regulated town now owns its water-works, its tramways, its electric light, its gas-works. When it is so ill-advised as to grant the "franchise" to a company, at any rate it obtains a rent, which secures the cream of the profits for public use.

Drink-retailing is a monopoly as strict and as exclusive as water or gas. It is a local monopoly too, for the business must be carried on in the locality. Municipalities already supply two sorts of drinkables, milk and water—why should they not be permitted to supply also wine and beer?

The chief demand of the age is for increased municipal resources. New duties, educational, recreational, sanitary, medical, are constantly

being thrust on the local authority; and its chief milch-cow, the unhappy ratepayer, is in a chronic state of protest, which in the bottom of his heart he knows to be hopeless. *The Times* tried to voice the ratepayer's grievances, but it gave him no comfort because its specialist got into his head that Municipal Trading was the root of the evil, whereas every burgess of an up-to-date borough knows perfectly well that the profits of his municipal gas and water-works and tramways are the sole alleviations of his lot, since they yield cash in aid of the rates, whilst his schools, and his drains and his parks, valuable as they are, have to be paid for out of his pocket.

The obligations of the ratepayers must inevitably and steadily increase, and the only remedy is the municipalisation of all profitable monopolies, amongst which the Drink Trade stands easily first.

It is true that we do not propose that its profits should be applied to the relief of the rates. But what that patient ass, the ratepayer, has once borne, he will continue to bear without much grumbling. It is a rise in the rates that excites him to the letter-to-the-papers state of indignation. And it is just these new undertakings, concerts like those of Battersea, bands, such as those in the London County Council Parks, pianos in schools, on which a London School Board election was once fought, housing schemes, like that recently thrown out at

West Ham—all new departures in the direction of making the life of the people happier, soberer, decenter, and healthier—which cost an alarming lot of public money, although everybody wants them, even the ratepayer himself, if only they could be got without a rise in the rates. It was the fear of a possible farthing rate that induced Parliament to refuse to London its County Council steamboats. In every great town there are open spaces which would be bought for parks, if dread of rate-raising were removed.

Now most of these things are what Rowntree and Sherwell call counter-attractions to the public-house. Those which do not strictly come under this head, such as housing and education, are quite as important remedies for the causes of drunkenness. Anyway they are good things which we all agree in desiring.

At present the profits of the trade go to the traders, who flourish exceedingly, and naturally invest their gains in further promoting their business. The profits indeed are so plentiful that sometimes they overdo this process, and pay too high prices for the properties they purchase. Hence the misfortunes of Allsopps, and other occasional disasters.

It is significant that the gentleman who voices most strenuously the fear that the municipalities may promote drinking in order to relieve their rates is Mr. John Walker, the advocate for the trade! He shrewdly suspects

the value of the argument we have been using! He knows that the certainty of big profits is the one thing most likely to induce a business-like town council to undertake so great a venture as the municipalisation of its public-houses.

We have no fear of the collective cupidity of our municipalities in this matter. They run their trams for the benefit of the citizens in the first place, and profit is a secondary consideration. A municipality when it takes over the tramways reduces fares, improves the cars, gives the employés better wages, and often spends enormous sums in introducing electric traction. These reforms are undertaken for the public benefit, and the public appreciation of them generally yields splendid cash returns.

On the same principle we are convinced that municipalities will improve their public-houses. This may, perhaps, result in big profits, so long as municipal public-houses compete with private owners. It is desirable on every account that drink should be good in quality and sold in decent surroundings: if the citizens prefer their own public-houses to private ones, so much the better. When it comes to a monopoly the case is altered. But we are prepared to trust the representatives of the people in this matter. No public or quasi-public body can be named that nowadays deliberately promotes excess in drink. Co-operative societies, democratic profit-making concerns, do not deal in

drink at all. Trade unions, which once always met in public-houses, are steadily abandoning the practice. Public opinion is in favour of Temperance, and public opinion is the ruling force in public bodies. Local Vetoists, expecting substantial results from a measure which could only operate at all where the temperance vote was in a majority, must believe that it is powerful throughout the land. Surely they cannot argue with consistency that this influential, if not preponderant, section of the electorate, with the support of all intelligent people of whatever shade of opinion, would be unable to prevent municipal councils from the suicidal madness of promoting excessive drinking for the sake of municipal profits!

Possibly there might be some danger if very small and poor authorities were permitted to run their own public-houses. A parish council often spends £5 or £10 a year, and sometimes much less. To such a body the parish inn would be a gold mine. Indeed, it might be said that the £400 or £500 a year which the Hill of Beath yields in net profits is so enormous an income that no parish council would want to increase it. The Swedish towns alleged to be guilty of the heinous offence of "carrying on the local drink trade more or less for profit"—it is not pretended that they did more than this—are described as "small places," smaller no doubt than many an English parish.* We

* R. & S. "Temperance Reform," p. 468.

do not insist on parish council public-houses, but every larger local authority we would frankly and freely trust.

THE POLITICAL POWER OF THE TRADE

The advocates of Municipalisation claim as one of its foremost merits that it would destroy the political power of the Liquor Trade. This does not consist in the long purses of the brewing magnates, or on their centralised trade committees; such features are common to all large trades: coal and iron and cotton have their kings and their rings and associations for protecting trade interests. The political power of the Drink Trade lies in the network of licensed victuallers, each of whom, with his clients, is a ready-made committee for the party the Trade prefers. Undoubtedly this local and universal organisation gives the Trade exceptional political power, and trade control is always a national danger on general grounds, quite apart from the particular trade concerned. The idealism of politics is its saving virtue. Labour orators may deride the stupidity of the British working man, who is deeply moved by the wrongs of Boer farmers or British Uitlanders, who is eager to promote the solidarity of the Empire, or to avert the payment of rates by one sect for the schools of another, whilst for his own immediate interests, the protection of his trade union, old-age pensions,

municipal housing, and the like, he is careless or lukewarm. But off the platform, we cannot but admire this unselfishness. The British workman is not usually recognised as a political idealist, but the fact is beyond dispute. The Irishman, viewing everything from the standpoint of his farm and his religion, is far more successful in gaining his own ends; but it may be questioned whether he does not lose his political soul in the process.

British politics have for generations dealt with wider issues than those of, perhaps, any other land. Hence the electors have been educated to a dignity, a breadth of view, a disregard of personal interests, which is uncommon elsewhere. The one sordid element in British politics is the publican. He has much excuse: his whole livelihood is more or less at stake. He is voting for his own hearth and home.

None the less, this influence is a bad one. It is unwholesome: politics will be purer when publicans are municipal employés, and parties no longer have any direct concern for them.

There is one difficulty about this matter which must be faced. For many years past the Liquor interest has voted Tory. Rowntree and Sherwell recognising this, make what is in effect an appeal to the Liberal Party, by giving elaborate calculations to show how many seats that party may have lost on the assumption that the publicans influenced one or two votes a piece at the election of 1895.

But we venture to appeal to a wider public. Party interests are the concerns of the smaller folk in politics. The statesmen who possess the magic power to direct public attention to one point or another, who are really leaders of the nation, and not mere mouthpieces of a faction, look beyond their party interests, and are careless of gaining a few more or a few less votes. Such men are found in both parties; for neither party has the monopoly of bold and beneficent legislation. A great measure of reform, such as we contemplate, could hardly be carried through save by general consent; and we are convinced that the country is rapidly ripening for it. The statesman who undertakes it will not regard the loss or the gain to his party: his concern will be the national well-being. The leader who appeals to the ideality of the British electorate, regardless of his own immediate interests, is he who presently becomes the leader of the strongest party of his day.

[NOTE.—The "British elector" must not be confused with "The man in the street"; the former is that section of the people which habitually attends political meetings, and thus represents popular political opinion. "The man in the street" is the section which stays at home (as the typical Irishman would say), which does not vote at all at local elections, and at Parliamentary abstains or votes irrespective of party. The organisers are always in

doubt about his opinions, but when he goes solid on any question, he decides the fate of parties, and the destinies of the nation.]

MUNICIPALISATION ACCEPTABLE TO ALL

We have said that no licensing law can be deemed good unless it is not only desired by a majority of the people, but is also accepted by practically all classes closely concerned in it.

In a democratically governed country where magistrates share the feelings, and juries the prejudices, of the crowd, law can only be enforced when it is in harmony with the sentiments of the people as a whole.

The objection to any plan of Veto is that it appears, and will continue to appear, to a large section of the community to be unfair, and the Liquor interest, whose autonomy will be unimpaired, must always resent it. A law which affects the different classes so unequally can never be permanently acceptable. Moreover the current referendums would keep opposition alive. The minority who favour licences in any district would persistently object to a law which interferes with what they consider their freedom. The matter would be kept in perpetual agitation, except in those places where the majority on either side was overwhelming.

Neither nationally nor locally would the question ever be at rest, and a law which kept

the country in a turmoil could not be regarded as satisfactory.

Municipalisation on the other hand would be a permanent settlement. The limits of divergence in arrangements would be fixed, and changes within them would be questions of municipal policy of a similar character to those already existing. Opinions would differ, and elections might be lost and won over the exclusion of barmaids, the provision of concerts on licensed premises, and the hundred other points of policy. These are matters of degree and of detail, and the losers would not feel their defeat as would the drinker deprived of his public-house, or the ardent Prohibitionist with a gin-palace fresh planted at his door.

Municipal management, once introduced, would be accepted by all parties. The drinker would feel assured of his drink : the brewer of his market : whilst the temperance reformer would have a legitimate outlet for his energies in trying experiments for minimising the evils of the Trade, which everybody desires to see removed.

THE POLITICAL ARGUMENT

When two solutions of a problem are possible, that which is politically the more practicable has a marked advantage over the other.

Now Municipalisation of the Liquor Traffic is assuredly more practicable politically than is

Local Option. The reason is obvious. Municipalisation is a plan for the supply of liquor: Veto is a proposal for stopping the supply. The Licensed Victuallers, taking the Temperance Party at their own estimate, believe they would not propose their plan, unless they were confident that it would shut up public-houses and diminish the consumption of drink. The whole of the Liquor interest are, therefore, opposed to Local Option, and they are supported, for various reasons, by the "man in the street," who, as we have already explained, ultimately rules the country.

The chances of a party fight once gave Local Veto a majority in the House of Commons, and might conceivably do so again. But the House of Lords would assuredly treat the Bill as they treated Home Rule, and we are convinced that the electorate would justify them in this case also.

Municipalisation on the other hand can excite no such determined opposition.

The Brewer and Distiller are more willing to sell their wares to a Municipality, with gilt-edged credit, than to the fallible publican. As owners of tied houses they know quite well that the present *régime* is doomed, and they will be satisfied, actually, though not professedly, with a compromise plan of compensation. They will fight for the present system, of course, but they will accept defeat with good grace.

Those Licensed Victuallers who are managers

already, and they are many, will be as willing to manage for a Public Council as for a private company. The others, at any rate, will not so bitterly oppose this plan as any alternative to it. They, too, must recognise that something is going to be done, and this something is the least objectionable to them.

The "man in the street" will not seriously trouble himself. There is no question of taking away his beer; or, if he be not keen on beer himself, of taking it away "unfairly" from other people. He will not object to having a voice in the management of his public-house, and in the quality of the liquor supplied, matters on which he probably has vehement and irrational opinions. He will, moreover, like the idea of getting some of the profits for public purposes. But mostly he will not care one way or the other. The idea is too complicated for his simple brains; the word municipalisation has too many syllables to be intelligible to him. He may, indeed, get into his head that it is a plan for the provision of free beer out of the rates, at the expense of the landlord, and of the teetotaler too. A skilfully-worded election leaflet, which, subtly, without any actual misstatement, conveyed this idea, might make the fortune of the political party adopting it.

Any way, the "man in the street" will not rise in his might to smash Municipalisation. If it influences his vote at all, it will be *for* the party which adopts it.

As for the superior people, who are second only in importance to the "man in the street," their view is shown by the Public-house Trust Association. Lords-lieutenant, bishops, trade union leaders, generals, admirals, bankers, and all the nobility and gentry, man the directorates and boards of trustees of these companies. They have agreed already to the principle and must approve its more extensive application.

CHAPTER VIII

PROBLEMS IN MUNICIPAL MANAGEMENT

Municipal Option—Municipal Monopoly and Competition—What Municipal Success is—Pooling the Profits—Counter Attractions—No Local Veto or Free Trade—Compensation—Municipal Corruption

MUNICIPAL OPTION

For centuries England has lived under a cast-iron licensing system, which has been regulated by statute, from one end of the land to the other. The justices have been allowed but little discretion, and such powers of control as they possessed they have scarcely used.* The time has come for a complete change. We want all sorts of local experiments, and our municipal bodies should be empowered to try them. Compulsory Municipalisation is of course impossible. Each Town and District Council must decide for itself, and it should be allowed

* For particulars of the wider exercise of powers by the justices a century ago, *see* Webb, "History of Liquor Licensing," cap. iii.

the widest choice. Let us have experiments in municipal monopoly, municipal competition, high licence, farming out of licences (a bad plan, though possible under stringent regulation), sale by auction, Public-house Trust Company, Norwegian Company (that is, a separate company largely controlled by the council), and the present system.

The drafting of a Bill to permit so wide a variety of systems would be a difficult task, and it must be entrusted to a Minister with a strong will and an iron constitution.

But the wider the discretion left to the local authority, the simpler will be the Act. Some twenty-seven words are all that the Transvaal Government found necessary to authorise municipalisation of liquor retailing, except in respect of the referendum they enact for its adoption.

MUNICIPAL MONOPOLY *V.* COMPETITION

A moot point in the matter of Municipalisation is the question of monopoly. Must the local authority take possession of all licences at once, or shall it take them over one at a time, as choice or chance determines, make experiments with such as fall into its hands, and so go forward gradually?

Foreign precedents do not help us much. North Carolina has a State monopoly managed by State officials; Russia has the same, but for spirits only. Scandinavia is often quoted as an

example of the benefits of monopoly. But the monopoly is a partial one. Beer, as is well known, is not included; only 60 per cent. of the spirits used in Sweden are sold by the Bolags, and out of 1018 licensed premises in that country in the year 1901, 155 were either old privileged licences or licences sold by auction.*

Rowntree and Sherwell insist strongly on a complete monopoly, and they can claim the support of an acknowledged expert in Municipalisation.

Mr. Sidney Webb, in a debate with the present writer before the Fabian Society, argued that monopoly is a necessary condition for the Municipal Drink Traffic, because the criterion of success in trade is a big business; the private public-houses would continue to push sales, whilst the most successful municipal public-house would be that which sold least. He said that Gresham's Law of Currency, that bad coins drive out good, applies to public-houses; the disorderly and lax establishment drives out of business those houses which are reputably conducted. Rowntree and Sherwell quote this with approval,† but is it true? If so, public-houses must be becoming more disorderly; the low beer-shop will yield the best profits. The high class "gin palace" must be a decaying institution.

* Private letter from E. André of the Gothenburg Bolag, July 1903.

† "British Gothenburg Experiments," p. 133.

In fact, the contrary is the case. The smaller public-houses are being replaced by huge gin palaces.* Mr. Arthur Shadwell † brings weighty evidence to show how much more respectable and orderly public-houses have become. "A large number of the worst class of beer-houses have been abolished"; "the improved character of licensed houses generally was everywhere recognised." This was the opinion of the Committee of 1876. Twenty years later drunkenness is found by the Royal Commission to be decreasing, and public-houses are reported to be generally well conducted.

On paper, the new Gresham's Law looks well. But it implies a pessimistic view, wholly foreign to its author's mind; and no facts, so far as we know, have ever been adduced in support of it.

If it be replied that it is the Licensing Authority and the police who repress the bad public-houses and so succeed in reversing the new Gresham's Law, the answer is that nobody proposes to abolish either the police or the Licensing Authority. What we advocate is precisely a means whereby the repression of disorder and drunkenness may be more easily and perfectly carried out.

This supposed law is surely a deduction unfortified by evidence. Until some statistics proving the decay of good houses be produced, we shall continue to believe the evidence of the

* R. & S., "Temperance Problem," p. 80.
† "Drink," p. 43, &c.

Blue Books, to the effect that the good public-houses tend to drive out the bad ones.

It is, of course, incontestable that a municipal monopoly is preferable to competition, if only on the obvious principle that anybody can rule by martial law, but it needs an able man to govern a free country. A monopoly protected by law is clearly the easiest possible form of business to conduct, and if the commodity concerned be in wide demand, anybody can make it profitable. Therefore it was that the Stuart Kings granted monopolies to courtiers, who were presumably incapable of earning an income otherwise. James I., for example, granted Sir Giles Montressor a monopoly of liquor licences in Bath, and he insisted on opening twenty ale-houses, when the sober inhabitants desired but two. We are all for municipal monopoly, as soon as it can be got. But how are we going to get it? Birmingham has 1620 on licences, Manchester 2222, Sheffield 1159, and so on. These big towns are the places where Municipalisation is most urgently wanted. Is nothing to be done till Parliament consents to allow them to take over at one stroke of the pen the whole of the licensed premises in the area? Mr. Joseph Chamberlain, also no mean authority on municipal affairs, especially in 1877, proposed to spend ten years over his Birmingham purchase scheme. He would have had Municipal Public-Houses competing with privately-owned licences during this period. The Birmingham Corpora-

tion approved the idea by 46 to 10, and the House of Lords Committee on Intemperance recommended it to Parliament because the plan, if a success, would benefit the whole country, and if a failure, would only injure Birmingham.

A later precedent is that of the Public-House Trust Companies, which have already acquired licences in such centres as Glasgow, Sheffield, Newcastle, Preston, and Warrington, besides others in industrial districts where, no doubt, there is plenty of competition. The People's Refreshment House Association too has opened a public house in Southwark. These companies propose to manage their houses exactly as a municipality would manage them, and they are no doubt confident that they will obtain the moral and financial results which are their objects.

If a complete monopoly is to be made a sine-qua-non for municipal management, we must regard the proposal as scarcely less illusory than is Local Veto. Our County Boroughs would not have the courage to undertake so great a business as the management without experience of the whole of their retail liquor trade.

Moreover, Parliament itself will be loth to permit an inexperienced body to try an experiment on so large a scale. Sweden and Norway have done it, no doubt : but with few exceptions their towns are very small, and the chief of those exceptions—Gothenburg (130,702), Stockholm (274,611), and Christiania (203,000) — were

scarce half the size when the system was started, twenty to forty years ago.

London County Councillors know how unwilling Parliament has been to permit the buying out at full value of the London Water Works, and how slowly the Council itself made up its collective mind to municipal tramways. Yet these are ancient and well-established municipal appurtenances, and private ownership is almost an exception to a general rule.

The catastrophic method of reform is not consonant with modern ideas. Those who persist in claiming the whole loaf, all at once, have to wait a long time for their bread, if they ever get it at all.

The practical plan is for Parliament to empower local authorities to own and manage licensed premises. Then Town Councils must try their hands at the business. If they make a success of it, they will be encouraged to extend their operations, and presently to apply for compulsory power of acquirement, which must sooner or later be provided, with a view to a complete monopoly.

WHAT MUNICIPAL SUCCESS IS

But here arises another objection. When is a municipal public-house successful? It is said that success in municipal business is measured by the magnitude of the demand for the service supplied, whilst municipal public-houses, in

competition with private ones, will be successful in proportion as their sales are small.

If it be merely meant that the success of a municipal tramway is more easily and conclusively shown in figures than that of a municipal public-house would be, the argument may be admitted. But plenty of municipal undertakings are not at present judged by any financial standard. The criterion of success for sanitary and scavenging work is decency, cleanliness, and order in the streets, and immunity from disease. Is it impossible to measure the success of a municipal public-house by the same rule?

Moreover, mere reduction of sales is not the one thing needful for a municipal public-house in competition with others. We have shown elsewhere that no rapid reduction of average consumption can be anticipated from any sort of legislation whatsoever. The experimental municipal public-house must aim at decency and order; it must supply good liquor; it must offer non-intoxicants freely, and food wherever required. It must endeavour to raise the standard of public-house life.

We are confident, from the evidence of Scotch experiments, and in view of the general improvement in manners and morals which is assuredly taking place, that the new Gresham's Law will be actually reversed; the comfortable, decent public-house will thrive commercially, and the public authority which owns it will

be encouraged to go on and provide more. It will thrive, not because it increases the consumption of drink, but because it attracts customers from other inferior houses.

In any case, there is no risk of loss. The public-house trade is a business so profitable that failure is impossible with even moderate commercial capacity. The somewhat unsavoury character of the occupation makes it the resort of persons unfitted for posts where training, knowledge, or high character is required. Superannuated butlers, and men who have saved a small capital in some sporting or betting, or other miscellaneous occupation, from which age or other circumstances have obliged them to retire, form a sensible proportion of the publican class. Such men are likely to be exceptionally incompetent as business managers, and their occasional appearances in the bankruptcy court are easily explicable. Moreover, it must be recollected that licensed premises fetch in the market extremely high prices, which were recently inflated much beyond their proper level, and very great returns are necessary to yield a fair interest on such outlay. Further, the conditions made by capitalist brewers and distillers in their loans to publicans are often onerous.

Failures of private licensees are therefore not infrequent, but there is no reason to suppose that a municipal public-house, even with a relatively small trade, would not yield the low rate of interest on capital which is all that

a municipality actually requires. Experiments could best be tried in industrial suburbs, especially those established by local authorities themselves under the Housing of the Working Classes Acts. Here would be a local monopoly at any rate, and the other conditions would be in every way favourable.

A municipal monopoly is undoubtedly the ideal. Under a monopoly alone can experiments in reduction of hours, and reforms in many other directions, be fully and effectively carried out. But let us be content to begin in a small way, even in the matter of reforms. If a municipality has not the intelligence and capacity to run half a dozen public-houses successfully in competition with private owners, we confess we should question their ability to manage the supply of liquor to their constituents in a manner which would give satisfaction both to the drinkers and to the Temperance party.

POOLING THE PROFITS

We must return to the question of the spending of the profits. It would seem to be obvious that the body which has the trouble of organising the Trade should reap the reward of its efforts. Spending money is always pleasant work, especially when it belongs to other people. The municipal labourer who gets no hire is worthy of his reward.

Rowntree and Sherwell say, No. Their trust

in the people, as represented by their Town Councils, is tempered with prudence which seems to us excessive. They therefore propose that all profits should be paid into the National Exchequer, and a part doled out again, in proportion to population, to those districts which municipalise their licences or veto them altogether.

This complicated plan is defended on two grounds. It would make Veto as pecuniarily advantageous to a locality as Municipalisation. That argument does not touch a plan which bars Veto altogether.

The other reason is the fear that Councils will promote drinking, or at any rate abstain from discouraging it, in order to make profits and, perhaps, to use them for the relief of rates. This point we have already dealt with, and we need not repeat our argument here.

The administrative difficulties of any such pooling system its authors do not touch on. Probably they have overlooked the fact that every British tax-payer would have a direct interest in the profits of the Trade in each municipalising district, because, if the profits were pooled, he would be entitled to a share in the benefits of the pool. Therefore any town could not be allowed to waste its profits in reckless salaries, or expensive offices, or even in the purchase of liquor of an extra good quality. The Local Government Board, representing the collective tax-payers and beneficiaries, would

have to sanction all substantial outlays, to fix salaries, to supervise contracts, and generally to interfere in every detail, far more minutely than it now does in Poor Law matters, because, after all, the Guardians spend rates paid by those who elect them; but the municipal drink profits would belong to the nation, part being held in trust for localities qualified for a share.

Such government control would altogether destroy that flexibility which commends municipal management both to Rowntree and Sherwell and to ourselves. Experiments would be impossible without the unwinding of furlongs of red-tape. Slowly but surely one uniform stereotyped method would be enforced throughout the land.

The Guardians were born and bred in this bondage; they have never known, at least since 1834, the joys of freedom. But we are confident that Town Councils would not stand the inevitable interference on any consideration whatsoever. On such terms they would decline to municipalise at all.

The strongest reason against this pooling system is that the incentive of profits is necessary to induce Councils to undertake the great labour and responsibility of organising the traffic. Councils, like individuals, are often lazy, and more often still are afraid of difficult or unpopular tasks. The proposal to diminish to one-third the financial benefits of the scheme to each Council is likely to diminish to much

less than one-third the number that are willing to undertake it.

COUNTER ATTRACTIONS

Anybody, even the stupidest of Town Councillors, can spend money without expert advice, and we shall not devote space to detailed schemes, especially as the Hill of Beath has set a good example with the first of municipal drink profits ever earned in Great Britain.

Rowntree and Sherwell give copious calculations showing exactly how much each town would want properly to counteract the drink evil. Birmingham, for example, is to spend £11,495, and so on for each of the big cities. We are not disposed to think that the Birmingham Town Council will pay much heed to such limitations. In our view each Town Council must be left unfettered in the expenditure of its profits. Let them be earmarked for counter attractions. Let the Local Government Board send round inspectors to see if the city is properly supplied with free concerts and music halls, municipal dining rooms for the people, like those in Russia, plenty of scholarships or free technical schools, and a free university. Water might be supplied free of charge to the citizens, if they chose, though, perhaps, that could hardly be considered a counter attraction. Every town requires municipal housing for wage-earners, planned with more lavishness than the Local

Government Board and the need for low rents, which yet must cover cost, have hitherto permitted.

There is great virtue in reports. Let each Council be required to send to the Local Government Board an annual report showing how it has disposed of its drink profits. Let the Local Government Board be required to write a commentary, and to transmit it to the Council and to the local Press. It ought to be first-rate copy, and would be published in full. Then it would only need an intelligent official with some initiative and a fair literary style to make things lively in every city in the land. The German Emperor, for example, with his vivid interest in all departments of life, and in all forms of art, would be the ideal man for such a post.

If it be objected that senior Government officials are rarely intelligent, and hardly ever possess a decent literary style, the answer is that up to now this has been true. The present race of senior officials began at the bottom ot the ladder in the days before the Civil Service was thrown open to public competition. They are the last vestiges of the nominee system. Their parents or guardians had some pull on the authorities, and so they got appointments expected to yield fair incomes for life at a low cost in brain power. But in a few years this race will be extinct. The new generation, now men of forty-five to fifty, are just beginning to

reach the higher posts, and there is every reason to hope that the era of stupid officialism is nearly passed. The men who are now winning their C.B.s and C.M.G.s belong to the new type, and in a short time Downing Street and Whitehall will witness some surprising developments.

NO LOCAL VETO OR FREE TRADE

One thing must be made perfectly clear in the measure we advocate. It is a scheme for the Municipal Supply of Intoxicants, and wherever it is adopted, in place of the present system, intoxicants must be supplied. For this there are two excellent reasons :—

The average sensual man, who rules our country, will not assent to any proposal which might be turned into Local Veto. He has an exaggerated fear of the teetotalers, and he is well aware that in places of authority (as, for example, on the London County Council) they are numerous and powerful. The brewers and their allies, too, would certainly be hostile to a Bill which gave power to Councils to abstain from supplying liquor to the public. Such a Bill would, in fact, be Local Veto in another form. In California and other American States, local elections are fought on this issue, and where the Veto Party wins, the "Board of Trustees" grants no licences. This would be the obvious policy of the teetotalers, if the Bill

permitted it, and such a possible result would be politically fatal to the plan. Any party which wants to win a General Election with Municipal Liquor Traffic in its programme must positively bar Local Veto.*

In the second place the Veto of licences to sell drink legally tends as we have shown to promote drinking and drunkenness and incidentally to create crime and to bring the law into contempt. Therefore we are opposed to the adoption of Veto in any district whatsoever. The minimum number of licences might be made very small indeed. If a Town Council thought one licence for 5000 people was enough, the plan might be tried, though we doubt if it would be a success. In this matter we would go back far beyond King Edward VI. and for rural districts permit the adoption of the idea of Archbishop Dunstan, who, a thousand years ago, suppressed all ale-houses except one in each village.

It must, therefore, be provided in the Bill that any local authority acquiring the monopoly of licences in its district shall provide a supply of liquor sufficient to meet reasonable demands, and shall sell it at proper prices. A limit must also be put at the other end of the scale. It is perhaps incredible that any Council could be

* The inclusion of the Veto as an alternative will, in our opinion, spoil the political prospects of the National Temperance Manifesto, issued in the autumn of 1903, notwithstanding the number of influential people who have signed it.

so ignorant and short-sighted as to encourage drunkenness, poverty, and crime by reducing the price of liquor, or opening an excessive number of licensed houses. But the chance of this evil must be guarded against with equal stringency.

Therefore, a maximum and a minimum of licences must be enacted, only to be exceeded in quite special localities, if anywhere at all. The Local Government Board alone should have the power to waive the maximum and minimum regulations, for good cause shown.

It should further be required to frame rules in order to keep the prices of liquor at a proper level. Practical prohibition might be secured by the fixing of prohibitive prices; excess could be encouraged by making them too low. The Local Government Board must have both the power and the duty to forbid either extreme.

COMPENSATION

It is not necessary in the present volume to discuss the details of this thorny question. A general agreement has been reached that compromise is the inevitable solution. Extreme men on one side no doubt profess to maintain that the letter of the law makes the licence an annual grant, and gives no tangible right to its renewal, except, of course, in the case of the ante-1869 beer-houses. The exception, by the way, is more important than is often recollected.

These houses are nearly one-third * of the total number of "on" licensed premises, and are in many cases the worst structurally and the least necessary in respect of situation. In 1854 they were described by a House of Commons Committee as "the habitual haunts of the idle and abandoned, of thieves, prostitutes, and adepts and learners of crime." Their advantage is that they do not promote the use of spirits. As to the other licensed houses, the extremists take their stand on Sharpe *v.* Wakefield, and claim that a licence granted for a year for a nominal sum should be allowed to expire if the grantor thinks fit not to renew it, and that the claim for compensation is absurd.

On the other hand, the extreme partisans of the licensed victuallers assert that a licence is in law and in fact a valuable property, bought and sold freely for large sums, on which the heirs of the owner, at his death, are required to pay duty. They point out that local authorities which want to take licensed premises for clearances are required to pay the value of the licence, as well as that of the land and buildings purchased. On these grounds they ask that the State should pay full value for the property proposed to be taken away. Compromise, as we have said, is the certain solution of the problem. Neither party now anticipates that its views will prevail. The strict legal aspect of a licence is at most but one of the facts which

* In 1892, 31 per cent.

have to be taken into account. Another is the power of the Trade, and the view of the man in the street. He considers some compensation to be fair, but he would strenuously object to the payment, out of his own pocket at any rate, of the fancy prices which licences sometimes fetch.

It is probable that something more will have to be paid than the five or seven years' notice which is advocated by the Minority Report of the last Royal Commission. Even in South Australia, where, presumably, the licensing system is less well established, as it is certainly less ancient, than ours, fifteen years' notice was given in 1891, and compensation has to be paid for cancelled licences up to 1906, but no longer. The Russian autocracy had to give twenty years' purchase for privileged licences established by what is deemed to be law in that lawless land.

If ten years' purchase of the annual value of a licence were taken as a fair average, the local authority might be required to pay this amount for any licence taken over at once. Every succeeding year should knock off nine months' purchase. At the end of ten years the local authority would pay only two and a half years' purchase. And after thirteen and a third years in all, no claim for compensation could be made. Probably a special Court, on the lines of the Irish Land Commissioners, would have to be appointed to determine the value of licences.

Of course, if any general system of high licence be adopted, the value of licences will be

reduced in proportion to the extent of the new charge made. In this connection it must be recollected that whilst the State is debarred by general consent from annexing any form of private property without compensation, its right to levy taxes on anything is equally incontestable. If a licence be admitted within the category of private property, the State must not confiscate it; but the fee for the licence may be altered to whatever figure the State thinks fit.

MUNICIPAL CORRUPTION

It is said that public authorities cannot be entrusted with the control of the drink trade, because of the risk, or the certainty, that they and their officials will be bribed by the brewers and distillers, and there will be constant leakage in the finances of the large transactions passing through their hands.

No doubt there will be some bribery and corruption and leakage. That is inevitable. There is plenty of it in private trading to-day. Secret commissions, travellers' tips, and the like, are the subject of Parliamentary debates, and exhortations by the Judges of the High Courts.

But the building trade is more notorious for its dishonest devices than the drink trade, and all public bodies are constantly spending public money in building, either through contractors or through their own works departments. The

coal owners are almost as wealthy as the brewers, and Corporations are enormous buyers of coal for their gas works and other enterprises. If Corporations can deal in coal and building materials, and can make contracts with Electric Light and Power Companies, and Telephone Companies, and Light Railway Companies, and the other monopolist concerns, run on the up-to-date American lines, sometimes by Americans with their native notions of municipal honour, and can conduct the business without serious reproach, why should their rectitude vanish when they have to deal in beer and spirits? This is a business in which the consumers will be keen critics, and if municipal beer is not up to the mark, Town Councillors will tremble for the safety of their seats.

We grant that there is an element of risk. No reform is ever free from every danger. But there is no reason to suppose that the possible ill results in this case will count for anything appreciable in comparison with the benefits.

Moreover, it must be remembered that, as a rule, better men, intellectually and morally, are attracted as the duties of public representatives become more responsible and important. Bribery and corruption in Parliament are unheard of; the corruption of the little London Vestry in old days was notorious; it is the small Corporation, the out-of-the-way Board of Guardians nowadays, where "jobs" are frequent and petty bribery flourishes.

CHAPTER IX

AN OUTLINE SCHEME AND THE CONCLUSION

South African Simplicity—The Municipalising Authority—Other Reforms—The true Temperance Policy

SOUTH AFRICAN SIMPLICITY

MAGNIFICENT simplicity is the note of the new Transvaal Liquor Licensing Ordinance, already referred to. Section 79 I. reads as follows :—

"The sale of liquor by retail, save as hereinafter excepted, in any village, town, or ward of a municipality may be placed under the sole and exclusive control of any local authority . . . by a vote to that effect of the majority of voters, or, if there be none, of the white male persons above the age of 21 years residing in such village, town, or ward."

The omitted portion provides as an alternative a "Gothenburg" company, and the exception appears to refer to power given to the Lieutenant-Governor to close public-houses in certain areas on certain days. Other sections give the local

authority or company a monopoly (which, however, may extend to only one ward in a town), and provide that the vote may be rescinded after three years.

That is all. No provision is made for pooling profits, for using profits for counter-attractions only, or for the other safeguards on which Rowntree and Sherwell lay so much stress. Intoxicants are treated as if they were water or gas, and the local authority can manage the sale as it pleases, subject, of course, to the general law.

Such unfettered liberty would not be possible amidst the complications of British civilisation, though perhaps the people of Johannesburg would resent the suggestion that their city is still characterised by primitive simplicity. However that may be, the policy of full local autonomy is unquestionably the right one.

We do not propose in this brief essay to set out a detailed plan for the Municipalisation of the Liquor Traffic in England. But we must touch on one point hitherto passed over.

THE MUNICIPALISING AUTHORITY

A re-arrangement of our local government areas is one of the problems of the future. Mr. H. G. Wells* has shown the absurdity of the existing lack of system with his accustomed incisiveness; but we must take the country as

* "Mankind in the Making," Appendix.

we find it, and make the best we can of existing authorities.

The municipalising authority must be as far as possible the population unit. That is, for London, the County Council; for other urban areas, the Municipal and District Council. For rural districts some system of devolution will probably be found necessary. The Parish is the centre of population, and should have much authority in the matter. But it would probably be necessary to give the District or even the County Council a voice in the management of the Parish Inn. The politics of a village where everybody knows everybody else are highly personal; and an outside court of appeal would sometimes be required to keep things straight.

Use might be made of the Public-house Trust Companies, which could be empowered to co-operate with any Parish Council by managing its public-houses on account of the local authority for a moderate commission or fee.

But the important matter is the towns. For them we should propose the widest latitude. Save for a reserve power vested in the Local Government Board, for the restraint of any party of extremists which might happen to gain a majority on the Council, and subject to the general law against drunkenness and regulating hours and conditions of sale, we would permit municipalities to reform the trade in every sort of way, and to try all kinds of experiments in public-house management.

Later on some methods may prove so disastrous that they must be prohibited by law, but until we have experience to guide us, no one can say with confidence which roads lead to salvation and which to perdition.

The municipality must have power to acquire and carry on any or all the licences in its area. Compensation will have to be paid to existing licence holders, and this will be fixed, probably on the lines we have indicated. The terms of the agreement will depend on the balance of political forces, and on the date of the settlement, as well as on other factors which cannot now be foreseen.

OTHER REFORMS

It is quite likely that other reforms will be made, concurrently with, and possibly earlier than any general system of municipal management.

There is a general agreement in favour of some ratio of licences to population, although there is little reason to believe that this will effect any great reduction in drinking, except perhaps in Ireland. But, apart from the difficulty of selection, and the questions of compensation which it involves, the plan is open to no objection.

A licence rent on new licences is advocated, but is of doubtful expediency. New licences should always be granted to public-house

trust companies as trustees for the community, and the exaction of a rental from the new licensees only might be taken to indicate that none could properly be asked of the old. The infusion of an elective element into the licensing authority is admittedly required, and it is clear that any local authority which municipalises a substantial portion of its trade must have a voice in the issue of licences. It is perhaps debatable whether a municipalising town council should not be its own licensing authority, and thus be wholly responsible for the management of the trade within its area.

THE TRUE TEMPERANCE POLICY

Progress is said to be spiral, and to bring us back on a higher level to a point long left behind. Three-quarters of a century ago Parliament passed an Act "for the better supplying the public with beer," but instead of improving the supply, the Act merely made it more abundant.

We believe the phrase sums up the right temperance policy; we want beer to replace spirits, and an improvement in the conditions of supply.

Only through municipal management can these reforms be readily, adequately, and universally attained.

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INDEX

ADULTERATION,
  rarity of, 11
  remedy for, 119
Alcohol, consumption of by our competitors, 74
Anarchism, incipient, 51
Anti-vaccination, 51
Auction of licences, 25
Avebury, Lord, 59

BEER,
  alcohol in, 62
  consumption of, in various countries, 63, 66
  in America, 64
  in our colonies, 66
  as a temperance beverage, 68
Beerhouses, number of, *ante* 1869, 149
Belgium, old age pensions in, 17
Birmingham, scheme for municipalisation in, 137
Blind tigers, 83, 84
Booth, Charles, 73, 112, 114
Brewers,
  lack of finesse in, 52
  political power of, 125
  attitude of, towards municipalisation, 130
British working man, political ideality of, 125

CARLOW, Charles, 95
Chamberlain, Joseph, 77, 93, 137
Chancellor of Exchequer, 116, 118
Clean slate, the, 31, 54
Club,
  the poor man's, 107
  amusements in, 110
Cobbett, William, 69
Committee of Fifty,
  on prohibition, 46
  on function of saloons, 108
Compensation, 149
  in South Australia, 151
  in Russia, 151
Consumption of liquor,
  Charles Booth on, 113
  causes of variation in, 114
  in Sweden, 116
  see Spirits and Beer
Control of the trade, right to, 13, 33
Corruption in municipal affairs, 153
Counter attractions,
  in Russia, 88
  limitations of, 109
  cost of, 122
  scheme for, 145
Cowen, Joseph, 32
Criteria,
  of licensing law, 8, 60, 103
  of muncipal success, 140

DRUNKENNESS,
  in various towns, 71
  decline of, 73, 114, 136
  in Russia, 91

EXCESS, permitted by existing law, 9
Excise duties, 24

Excise duties—*continued*
in Russia, 86
revenue in Russia, 89
effects of, 115
Excise licences, 24
American, issued to illegal dealers, 41
in Russia, 86, 87

Fabian Society, 26, 135
Factory Acts, 46
Food in public-houses, 98, 111
Free trade in liquor, 20, 21, 22

German Emperor, ideal post for, 146
Gladstone, Mr., 22, 28, 54
Gothenburg system (*see* Norway *and* Sweden)
Government officials, revolution in, 146
Gresham's law, the new, 135, 140
Grey, Earl, 98
Guardians, bondage of, 144

Hampstead election, 56
High licence, 20, 22
forms of, 23
proceeds of, 24
useful effect of, 151
Hill of Beath Society, 95, 124, 145
Humanised public-houses, 107

Intellectual honesty, 57
Iowa, Mulct Act, 42
Irish politics, parochialism of, 126
Justices,
in early days, 6
appointment of, 12
administrative methods of, 13, 14
attempted disestablishment of, 14
inaction of, 133

Labour party, 57
Lawbreakers, British, 50
Liberal party,
principles of, 22, 27, 54
appeal to, 126
Licence fees,
in American states, 24
in Transvaal, 92
power to raise, 152
Licensing law,
origin, 6, 7
criteria of, 8
Licensed premises,
ratio of, 72, 157
number of, 137
suggested ratio of, 148
Licence rate, 26
Licence rental, 25, 27, 157
Liverpool, effect of reforms in, 118
Local Government Board,
control of, 143
proposed inspection by, 145
reserve power for, 136
Local option *see* Veto
Local veto *see* Veto

Man in the street,
power of, 52
definition of, 127
attitude of, towards municipalisation, 131
Man with the farm, 54
Moderation, failure to encourage, 15
Morley, John, 54
Mulct Act of Iowa, 42
Municipal enterprises, 50, 120

National temperance manifesto, 148
Norway, company system, 79
monopoly in, 138
Nursery in the public-house, 111

Passive resistance, 51
People's Refreshment House Association, 97, 138
Perpendicular drinking,
in Sweden and Norway, 80
in South Carolina, 83
in Russia, 86

Perpendicular drinking—*continued*
proposal for, 105
prevalence of idea of, 113
Philosophy of veto, 58
Police supervision, inadequate, 10
under high licence, 23
Popular control,
of local government, 11
of the drink trade, 104
Population, density of, 7, 63
growth in Russia, 89
Portland (Maine),
drunkenness in, 41
beer drinking in, 70
Port Sunlight, veto in, 37
Private interest in the trade, 9
Profits,
of monopoly, 16
of state dispensaries in South Carolina, 84
of Russian monopoly, 89
of Swiss monopoly, 92
of Scotch public-house companies, 96
of People's Refreshment House Association, 97
of public-house trust companies, 100
of the drink trade, 120, 141
of municipal public-houses, 123
of private monopolies, 137
pooling of the, 142
Prohibition, 30
in Maine, 41
in Iowa, 42
effect on drunkenness, 42
Committee of Fifty on, 46
in Norway, 81
Publicans, business inability of, 141
Public-house trust companies,
description of, 98
their humanised public-houses, 108
attitude towards municipalisation, 132
houses in large towns, 138
future scope of, 157

RATEPAYER, his protests, 121
Rates, need for aids to the, 120
Reduction of licences,
Gladstone on, 22, 28
Herbert Samuel on, 27
in South Carolina, 84
in Russia, 87–90
Respectability,
in public-houses, 15
under high licence, 23
must rule, 113
increase of, 136
Rights of a majority, 45
Rosebery, Lord, 54
Rulers, our, 52
Russia, history of trade in, 85

SALOONS, function of American, 108
Samuel, Herbert, 27
Scotland,
spirit drinking in, 68
drunkenness in, 71
licences in, 72
public-house societies, 94
Sellers, Miss, 88
Sherwell, Arthur, 43
in last ditch, 44
Slums,
adverse effect of veto on, 36
in Liverpool, 118
South Carolina, 82
Spirits,
consumption of, 67, 71
prohibition and consumption, 70
disease due to, 70
crime due to, 71
consumption in Sweden, 80, 117
consumption in Norway, 81
in Russia, 89
in Switzerland, 91
danger of cheap, 119
State dispensaries (*see* South Carolina, *and* Russia)
Success, definition of municipal, 139
Sweden,
Gothenburg system, 78
consumption of spirits in, 117

Sweden—*continued*
towns making profits, 124
partial monopoly in, 135
monopoly in, 138
Statistics, similarity of, to whiskey, 82
Sunday closing, 50, 55, 72
Sutherlandshire, 43
Switzerland, monopoly in, 91

Transvaal, 92, 154
Teetotalers in politics, 56

Veto,
foreign to liberalism, 22, 29
in East Ends, 35
in America, 36, 38, 147
in artizan suburbs, 37
Veto—*continued*
in West Ends, 37
in rural districts, 39, 43
in towns, 40
failure of in U.S.A., 49
in Russia, 87
must be forbidden, 147
Vetoists,
supposed power of, 124
licensed victuallers' view of, 130
Voting to order, 57

Walker, John, 96, 122
Webb, Sidney, 135
Wells, H. G., 155
Whittaker, T. P., 32, 63, 81

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